

**ADMINISTRATIVE/EXECUTIVE GROUP
SUMMARY**

	Page #	Approp	Revenue/ Financing Sources	Local Cost
<u>GENERAL FUND</u>				
BOARD OF SUPERVISORS	2	3,812,528	-	3,812,528
LEGISLATION	4	474,914	-	474,914
CLERK OF THE BOARD	6	912,389	62,500	849,889
COUNTY ADMINISTRATIVE OFFICE:				
COUNTY ADMINISTRATIVE OFFICE	9	3,466,745	-	3,466,745
LITIGATION	11	400,000	-	400,000
JOINT POWER LEASES	13	20,467,787	-	20,467,787
COUNTY COUNSEL	24	7,102,029	3,777,460	3,324,569
HUMAN RESOURCES:				
HUMAN RESOURCES	26	8,157,864	3,103,566	5,054,298
EMP HEALTH & WELLNESS	29	30,000	30,000	-
UNEMPLOYMENT INSURANCE	31	2,700,000		2,700,000
INFORMATION SERVICES:				
APPLICATION DEVELOPMENT	40	10,136,609	4,480,501	5,656,108
EMERGING TECHNOLOGIES	43	1,593,869	274,900	1,318,969
LOCAL AGENCY FORMATION COMMISSION	53	173,400	-	173,400
COUNTY SCHOOLS	54	2,850,040	-	2,850,040
SUPERINTENDENT OF SCHOOLS	56	-	-	-
TOTAL GENERAL FUND		<u>62,278,174</u>	<u>11,728,927</u>	<u>50,549,247</u>
COUNTY ADMINISTRATIVE OFFICE				
CONTINGENCIES AND RESERVES	15	70,572,366		
NON-DEPARTMENTAL REVENUE	17	6,000,000	354,235,683	
<u>SPECIAL REVENUE FUNDS</u>				
		Approp		
		Requirements	Revenue	Fund Balance
COUNTY ADMINISTRATIVE OFFICE:				
FEDERAL FOREST RESERVE	19	130,368	65,050	65,318
MASTER SETTLEMENT AGREEMENT	21	27,886,223	17,876,000	10,010,223
HUMAN RESOURCES:				
COMMUTER SERVICES	32	891,034	506,000	385,034
EMPLOYEE BENEFITS & SERVICES	34	3,335,953	2,072,000	1,263,953
TOTAL SPECIAL REVENUE FUNDS		<u>32,243,578</u>	<u>20,519,050</u>	<u>11,724,528</u>
<u>INTERNAL SERVICES FUNDS</u>				
		Operating Expense	Revenue/ Financing Sources	Revenue Over (Under) Exp
HUMAN RESOURCES:				
RISK MANAGEMENT	35	4,614,219	4,614,219	-
INSURANCE PROGRAMS	38	47,652,314	49,002,994	1,350,680
INFORMATION SERVICES:				
COMPUTER OPERATIONS	46	19,031,142	15,981,129	(3,050,013)
NETWORK SERVICES	50	16,845,334	16,845,334	-
TOTAL INTERNAL SERVICE FUNDS		<u>88,143,009</u>	<u>86,443,676</u>	<u>(1,699,333)</u>
<u>ENTERPRISE FUNDS</u>				
COUNTY ADMINISTRATIVE OFFICE:				
MEDICAL CENTER LEASE PAYMENTS	23	53,158,112	53,158,112	-

OVERVIEW OF BUDGET

DEPARTMENT: BOARD OF SUPERVISORS
BUDGET UNIT: AAA BDF

I. GENERAL PROGRAM STATEMENT

The Board of Supervisors is the governing body of the county government and Board-governed special districts. It establishes policy and exercises supervision over the official conduct of all county officers, Board-governed districts and special commissions. The Board approves and adopts the annual budget and initiates and makes recommendations regarding proposed legislation at state and federal levels.

II. BUDGET & WORKLOAD HISTORY

	<u>Actual</u> <u>2001-02</u>	<u>Budget</u> <u>2002-03</u>	<u>Actual</u> <u>2002-03</u>	<u>Budget</u> <u>2003-04</u>
Total Appropriation	4,017,618	4,237,112	4,086,834	3,812,528
Local Cost	4,017,618	4,237,112	4,086,834	3,812,528
Budgeted Staffing		39.8		39.5

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Included in base budget is the reduction of 1.6 budgeted positions. One Project Coordinator and 0.6 Field Representative were eliminated in the department's 4% Spend Down Plan.

In 2002-03, voters in the Second District elected a new supervisor, Paul Biane. Supervisor Biane has restructured the Second District's staff deleting 1.0 Executive Secretary III and 1.0 Field Representative. These deletions were offset by the addition of 1.0 Executive Secretary I, 1.0 Executive Analyst, 0.8 Special Projects Coordinator, and 0.8 Public Service Employee. Other districts made minor changes resulting in a net decrease of 0.3 budgeted staffing.

PROGRAM CHANGES

None.

GROUP: Administrative/Executive
DEPARTMENT: Board of Supervisors
FUND: General AAA BDF

FUNCTION: General
ACTIVITY: Legislative and Administration

	2002-03	2002-03	2003-04	2003-04	2003-04
	Actuals	Approved Budget	Board Approved Base Budget	Board Approved Changes to Base Budget	Final Budget
<u>Appropriation</u>					
Salaries and Benefits	3,463,627	3,615,514	3,762,320	10,916	3,773,236
Services and Supplies	512,380	511,482	453,154	145,056	598,210
Central Computer	34,960	34,960	22,719	-	22,719
Equipment	11,939	-	-	-	-
Transfers	70,555	75,156	74,335	3,263	77,598
Total Exp Authority	4,093,461	4,237,112	4,312,528	159,235	4,471,763
Reimbursements	(6,627)	-	(500,000)	(159,235)	(659,235)
Total Appropriation	4,086,834	4,237,112	3,812,528	-	3,812,528
Local Cost	4,086,834	4,237,112	3,812,528	-	3,812,528
Budgeted Staffing		39.8	38.2	1.3	39.5

BOARD OF SUPERVISORS

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	(110,866)	4% Spend Down Plan - delete 1.0 Project Coordinator and 0.6 Field Representative.
	73,977	MOU.
	168,969	Retirement.
	14,726	Risk Management Workers Comp.
	<u>146,806</u>	
Services and Supplies	(7,195)	4% Spend Down Plan - decrease in maintenance agreements.
	(51,423)	4% Spend Down Plan - decrease in office expense.
	290	Risk Management Liabilities.
	<u>(58,328)</u>	
Central Computer	<u>(12,241)</u>	
Transfers	<u>(821)</u>	Incremental Change in EHAP.
Reimbursements	<u>(500,000)</u>	30% Cost Reduction Plan.
Total Appropriation Change	(424,584)	
Total Revenue Change	-	
Total Local Cost Change	(424,584)	
Total 2002-03 Appropriation	4,237,112	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	4,237,112	
Total Base Budget Appropriation	3,812,528	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	3,812,528	

Board Approved Changes to Base Budget

Salaries and Benefits	57,292	Net increase of 1.6 to the Second District consisting of a decrease of 1.0 Executive Secretary III and 1.0 Field Representative offset by the addition of 1.0 Executive Secretary I, 1.0 Executive Analyst, 0.8 Special Projects Coordinator and 0.8 Public Service Employee.
	(24,705)	Net decrease of 0.3 for the remaining districts consisting of a decrease of 1.5 Field Representative and 0.6 Office Assistant offset by an increase of 0.6 Project Coordinator, 0.2 Community Liaison and 1.0 Constituent Service Representative.
	<u>(21,671)</u>	Decreases in costs due to new staff beginning at lower rates than previous staff.
	<u>10,916</u>	
Services and Supplies	(6,000)	Decrease in Comnet charges.
	(8,050)	Decrease in cellular charges due to inclusion in employment contracts.
	(7,721)	GASB 34 Accounting Change (EHAP).
	17,300	Increase in Motor Pool charges.
	3,000	Increase in Mail Services charges.
	11,550	Increase in outside phone company charges previously accounted for in office expense.
	16,000	Increase in general maintenance, structures, and grounds previously accounted for in office expense.
	3,792	Increase in subscriptions previously accounted for in office expense.
	115,185	Net increase in general office expense and other miscellaneous expenses.
	<u>145,056</u>	
Transfers	7,721	GASB 34 Accounting Change (EHAP).
	<u>(4,458)</u>	Decrease in rental costs for district offices
	<u>3,263</u>	
Total Exp Authority	<u>159,235</u>	
Reimbursements	<u>(159,235)</u>	Increase in transfer from Priority Policy Needs budget unit.
Total Appropriation	<u>-</u>	
Local Cost	<u>-</u>	

BOARD OF SUPERVISORS**BUDGET UNIT: LEGISLATION (AAA LEG)****I. GENERAL PROGRAM STATEMENT**

This program provides federal and state advocacy services to the County of San Bernardino. On February 5, 2002, the Board of Supervisors approved an administrative report that recommended numerous enhancements to San Bernardino County's legislative program. Through the restructuring of federal and state advocacy offices, six advocates currently represent the County. The creation of this new budget unit was approved by the Board of Supervisors on December 17, 2002, and was established to consolidate expenses associated with state and federal advocacy efforts. The position funded through this budget unit is the Director of Legislative Affairs for the Board of Supervisors. The position was previously in the County Administrative Office budget unit.

II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Appropriation	-	-	-	474,914
Local Cost	-	-	-	474,914
Budgeted Staffing				1.0
<u>Workload Indicators</u>				
Federal Advocacy Contracts				233,572
State Advocacy Contracts				258,440

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)**STAFFING CHANGES**

See General Program Statement above.

PROGRAM CHANGES

See General Program Statement above.

GROUP: Administrative/Executive
DEPARTMENT: Board of Supervisors - Legislation
FUND: General AAA LEG

FUNCTION: General
ACTIVITY: Legislative and Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	-	-	140,787	6,887	147,674
Services and Supplies	-	-	527,240	-	527,240
Total Exp Authority	-	-	668,027	6,887	674,914
Reimbursements	-	-	(200,000)	-	(200,000)
Total Appropriation	-	-	468,027	6,887	474,914
Local Cost	-	-	468,027	6,887	474,914
Budgeted Staffing		-	1.0		1.0

BOARD OF SUPERVISORS

Total Changes Included in Board Approved Base Budget		
Salaries and Benefits	<u>140,787</u>	Salary and benefits for Director of Legislative Affairs.
Services and Supplies	<u>35,228</u>	Anticipated general office expense for Director of Legislative Affairs.
	<u>492,012</u>	Anticipated costs for five service contracts for state and federal advocacy.
	<u>527,240</u>	
Reimbursements	<u>(200,000)</u>	Reimbursements from Solid Waste, Transportation and Flood Control District.
<hr/>		
Total Appropriation Change	468,027	
Total Revenue Change	-	
Total Local Cost Change	468,027	
<hr/>		
Total 2002-03 Appropriation	-	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	-	
<hr/>		
Total Base Budget Appropriation	468,027	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	468,027	
<hr/>		
Board Approved Changes to Base Budget		
Salaries and Benefits	<u>6,887</u>	Transfer of local cost from County Administrative Office budget unit for position transferred to this budget unit to pay for increases in retirement and workers comp costs.
	<u>6,887</u>	
Total Appropriation	<u>6,887</u>	
Local Cost	<u>6,887</u>	

OVERVIEW OF BUDGET

DEPARTMENT: CLERK OF THE BOARD
CLERK OF THE BOARD: J. RENEE BASTIAN
BUDGET UNIT: AAA CBD

I. GENERAL PROGRAM STATEMENT

The Clerk of the Board of Supervisors takes official minutes of all meetings of the Board of Supervisors, maintains the files for all actions of the Board, and distributes copies of orders and directives of the Board to appropriate agencies and members of the public; schedules, prepares, and distributes the board agendas; prepares, publishes, and distributes the fair statement of all proceedings before the Board of Supervisors; serves the Assessment Appeals Board and the various building and joint powers authorities, CoRDA and CoIDA and the Handicap Authority; gives notice of the hearings and disperses direction of particular boards; publishes and distributes the County Code, supplements, and ordinances; maintains the roster of all committees, commissions, and public agencies, and maintains conflict of interest files for county departments, committees, commissions, and public entities.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	835,909	931,793	760,694	912,389
Total Revenue	82,285	95,675	75,880	62,500
Local Cost	753,624	836,118	684,814	849,889
Budgeted Staffing		15.0		14.0
<u>Workload Indicators</u>				
Board Agenda Items	3,598	3,500	3,697	3,700
Assessment Appeals	2,454	3,500	2,073	2,700
Licenses	125	300	143	320
Notices of Determination/Exemption	489	1,550	939	900
Resolutions	309	600	280	350
Conflict of Interest Filings	1,103	1,500	1,029	1,250
Customer Service Hours	5,000	5,000	5,000	5,000

Expenditures for 2002-03 were less than appropriations due to several vacant positions, delays in hiring, an employee on disability leave, and reduced expenditures of services and supplies. Revenue was under budget due to the loss of state SB90 revenue and the over-estimation of the first year of collections of fees for Notices of Determination/Exemption.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Included in base budget was the deletion of 2.0 positions (1.0 Administrative Clerk II and 1.0 Chief Deputy Clerk) that were included in the 4% Spend Down Plan and a portion of the 30% Cost Reduction Plan that was implemented.

During the budget workshops the 1.0 Chief Deputy Clerk eliminated in the 30% Cost Reduction Plan was added back as an approved policy item.

PROGRAM CHANGES

The fee for providing supplements to the County Code was deleted since it was no longer used. There was no impact to the budget.

CLERK OF THE BOARD

GROUP: Administrative/Executive
DEPARTMENT: Clerk of the Board
FUND: General AAA CBD

FUNCTION: General
ACTIVITY: Legislative and Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	611,984	755,551	686,097	72,454	758,551
Services and Supplies	135,237	162,769	146,588	(8,021)	138,567
Central Computer	13,473	13,473	12,670	-	12,670
Transfers	-	-	(331)	2,932	2,601
Total Appropriation	760,694	931,793	845,024	67,365	912,389
Revenue					
Licenses & Permits	39,630	28,000	28,000	6,000	34,000
Current Services	5,406	2,475	2,475	1,025	3,500
State, Fed or Gov't Aid	(1,256)	20,000	-	-	-
Other Revenue	32,100	45,200	45,200	(20,200)	25,000
Total Revenue	75,880	95,675	75,675	(13,175)	62,500
Local Cost	684,814	836,118	769,349	80,540	849,889
Budgeted Staffing		15.0	13.0	1.0	14.0

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	(14,700)	4% Spend Down Plan - replace Administrative Clerk II with Clerk II position.
	20,448	MOU.
	34,377	Retirement.
	806	Risk Management Workers Comp.
	(110,385)	30% Cost Reduction Plan - delete 1.0 Clerk II and 1.0 Chief Deputy Clerk.
	<u>(69,454)</u>	
Services and Supplies	(18,745)	4% Spend Down Plan.
	2,564	Risk Management Liabilities.
	<u>(16,181)</u>	
Central Computer	<u>(803)</u>	
Transfers	<u>(331)</u>	Incremental change in EHAP.
Revenue		
State, Fed or Gov't Aid	<u>(20,000)</u>	SB90 revenue loss.

Total Appropriation Change	(86,769)
Total Revenue Change	(20,000)
Total Local Cost Change	(66,769)

Total 2002-03 Appropriation	931,793
Total 2002-03 Revenue	95,675
Total 2002-03 Local Cost	836,118

Total Base Budget Appropriation	845,024
Total Base Budget Revenue	75,675
Total Base Budget Local Cost	769,349

CLERK OF THE BOARD

Board Approved Changes to Base Budget

Salaries and Benefits	(7,824)	Adjustment for savings in benefits.
	80,278	Addition of 1.0 Chief Deputy Clerk as policy item.
	<u>72,454</u>	
Services and Supplies	(5,351)	Cumulative reduction in various services and supplies.
	(2,932)	GASB 34 Accounting Change (EHAP)
	262	Supplies for additional Chief Deputy Clerk.
	<u>(8,021)</u>	
Transfers	2,932	GASB 34 Accounting Change (EHAP).
Total Appropriation	<u>67,365</u>	
Revenue		
Licenses & Permits	<u>6,000</u>	Increase in licenses & permits revenue to reflect actual trends.
Current Services	<u>1,025</u>	Increase in other miscellaneous services revenue to reflect actual trends.
Other Revenue	<u>(20,200)</u>	Adjust Notices of Determination/Exemption fees to reflect actual collections.
Total Revenue	<u>(13,175)</u>	
Local Cost	<u>80,540</u>	

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE
COUNTY ADMINISTRATIVE OFFICER: WALLY HILL
BUDGET UNIT: AAA CAO

I. GENERAL PROGRAM STATEMENT

The County Administrative Office is responsible to the Board of Supervisors for the general administration and coordination of all county operations and programs, together with the preparation and administration of the county budget.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	3,455,918	4,452,965	4,019,214	3,466,745
Total Revenue	186,110	275,987	81,899	-
Local Cost	3,269,808	4,176,978	3,937,315	3,466,745
Budgeted Staffing		33.5		26.0

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Included in final budget is the reduction of 7.5 budgeted positions. One contract position, Director of Legislative Affairs, is transferred to the new legislative program budget unit (AAA LEG). Three contract positions and 0.5 Clerk I position were eliminated when the legislative program was restructured. Additionally, 1.0 Administrative Analyst was eliminated due to the deferral of SB90 revenue, 1.0 Deputy Administrative Officer was eliminated in the 30% cost reduction plan. Per Board direction 1.0 vacant Clerk II budgeted position that was not in recruitment was deleted during budget adoption.

PROGRAM CHANGES

None.

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office
FUND: General AAA CAO

FUNCTION: General
ACTIVITY: Legislative and Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	3,333,689	3,547,501	3,058,703	(38,889)	3,019,814
Services and Supplies	844,137	1,030,548	492,452	(6,352)	486,100
Central Computer	33,607	33,607	25,391	-	25,391
Other Charges	-	2,000	-	-	-
Equipment	20,000	26,000	-	-	-
Transfers	28,148	53,676	(545)	6,352	5,807
Total Exp Authority	4,259,581	4,693,332	3,576,001	(38,889)	3,537,112
Reimbursements	(240,367)	(240,367)	(70,367)	-	(70,367)
Total Appropriation	4,019,214	4,452,965	3,505,634	(38,889)	3,466,745
<u>Revenue</u>					
State, Fed or Gov't Aid	81,899	275,987	-	-	-
Total Revenue	81,899	275,987	-	-	-
Local Cost	3,937,315	4,176,978	3,505,634	(38,889)	3,466,745
Budgeted Staffing		33.5	27.0	(1.0)	26.0

COUNTY ADMINISTRATIVE OFFICE

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	(110,642)	Eliminate 1.0 Administrative Analyst III position proposed to be funded by SB90 reimbursements from the state.
	(517,904)	Eliminate 3.0 contract positions and 0.5 Clerk I position with the restructuring of the legislative program. Transfer 1.0 contract Director of Legislative Affairs to the newly created budget unit for legislation (AAA LEG).
	(144,452)	30% Cost Reduction Plan - eliminate 1.0 Deputy Administrative Officer position.
	93,774	MOU.
	185,870	Retirement.
	4,556	Risk Management Workers Comp.
	<u>(488,798)</u>	
Services and Supplies	(139,079)	4% Spend Down Plan.
	74,725	Approved by the Board on December 17, 2002 - increased costs of legislative program.
	(221,925)	Transfer to newly created budget unit for legislation (AAA LEG).
	(300,000)	30% Cost Reduction Plan - reduce management audit expenditures.
	43,000	Approved by the Board on April 15, 2003 - Sesquicentennial Event Planning.
	5,183	Risk Management Liabilities.
	<u>(538,096)</u>	
Central Computer	<u>(8,216)</u>	
Other Charges	<u>(2,000)</u>	4% Spend Down Plan - eliminate lease-purchase of photocopier.
Equipment	<u>(26,000)</u>	4% Spend Down Plan - eliminate lease-purchase of photocopier.
Transfers	(53,676)	Transfer to newly created budget unit for legislation (AAA LEG).
	(545)	Incremental change in EHAP.
	<u>(54,221)</u>	
Reimbursements	<u>170,000</u>	Transfer to newly created budget unit for legislation (AAA LEG).
Revenue		
State, Fed or Gov't Aid	(110,642)	Reduce SB90 revenues to reflect elimination of 1.0 position to be funded by this revenue source.
	(165,345)	Reduce revenues from Riverside County for legislative services previously provided on a contract basis.
	<u>(275,987)</u>	
Total Appropriation Change	(947,331)	
Total Revenue Change	(275,987)	
Total Local Cost Change	(671,344)	
Total 2002-03 Appropriation	4,452,965	
Total 2002-03 Revenue	275,987	
Total 2002-03 Local Cost	4,176,978	
Total Base Budget Appropriation	3,505,634	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	3,505,634	

Board Approved Changes to Base Budget

Salaries and Benefits	(6,887)	Transfer local cost target for position transferred to the AAA LEG budget unit. Target funds increases in retirement and workers compensation charges.
	(32,002)	Deletion of 1.0 vacant Clerk II position.
	<u>(38,889)</u>	
Services and Supplies	<u>(6,352)</u>	GASB 34 Accounting Change (EHAP).
Transfers	<u>6,352</u>	GASB 34 Accounting Change (EHAP).
Total Appropriation	<u>(38,889)</u>	
Local Cost	<u>(38,889)</u>	

COUNTY ADMINISTRATIVE OFFICE**BUDGET UNIT: LITIGATION (AAA LIT)****I. GENERAL PROGRAM STATEMENT**

The litigation budget funds external attorney services and other litigation related expenses. The Board approved the establishment of this budget unit in 2001-02. For 2003-04, local cost has been reduced to reflect the actual level of normal expenditures incurred over the last three years and does not include the costs of the larger lawsuits. The use of contingencies will be required for any new major legal contracts proposed that exceed the \$400,000 base budget. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	3,808,878	1,709,664	1,532,605	400,000
Total Financing Sources	2,235,003	900,000	870,470	-
Local Cost	1,573,875	809,664	662,135	400,000

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)**PROGRAM CHANGES**

The 2002-03 budget included the use of \$900,000 of restitution proceeds set aside to fund the ongoing corruption litigation. The remaining spending authority for the contract relating to this litigation is included in the 2002-03 actual column. For 2003-04 this results in a reduction of \$900,000 in appropriation and an offsetting reduction of \$900,000 to operating transfers in from the restitution reserve. If the contract relating to the corruption litigation is increased in the future, an agenda item will be brought back to the Board requesting an increase in appropriation and the use of the restitution reserve as the funding source.

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office - Litigation
FUND: General AAA LIT

FUNCTION: General
ACTIVITY: Legislative and Administration

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Services and Supplies	1,542,605	1,709,664	1,300,000	(900,000)	400,000
Total Exp Authority	1,542,605	1,709,664	1,300,000	(900,000)	400,000
Reimbursements	(10,000)	-	-	-	-
Total Appropriation	1,532,605	1,709,664	1,300,000	(900,000)	400,000
<u>Financing Sources</u>					
Operating Transfers In	870,470	900,000	900,000	(900,000)	-
Total Financing Sources	870,470	900,000	900,000	(900,000)	-
Local Cost	662,135	809,664	400,000	-	400,000

COUNTY ADMINISTRATIVE OFFICE

Total Changes Included in Board Approved Base Budget		
Services and Supplies	(409,664)	30% Cost Reduction Plan
Financing Sources		
Operating Transfers In	-	
Total Appropriation Change	(409,664)	
Total Financing Sources Change	-	
Total Local Cost Change	(409,664)	
Total 2002-03 Appropriation	1,709,664	
Total 2002-03 Financing Sources	900,000	
Total 2002-03 Local Cost	809,664	
Total Base Budget Appropriation	1,300,000	
Total Base Budget Financing Sources	900,000	
Total Base Budget Local Cost	400,000	

Board Approved Changes to Base Budget		
Services and Supplies	(900,000)	Reduce appropriation for the county corruption litigation. The remaining spending authority for this contract is included in 2002-03 actuals. If the contract relating to the corruption litigation is increased in the future, an agenda item will be brought back to the Board requesting an increase in appropriation and the use of the restitution reserve as the funding source.
Total Appropriation	(900,000)	
Financing Sources		
Operating Transfers In	(900,000)	Reduce use of restitution reserve that funds the county corruption litigation. Funding for the remaining spending authority for this contract is included in 2002-03 actuals. If the contract relating to the corruption litigation is increased in the future an agenda item will be brought back to the Board requesting an increase in appropriation and the use of the restitution reserve as the funding source.
Total Financing Sources	(900,000)	
Local Cost	-	

COUNTY ADMINISTRATIVE OFFICE

BUDGET UNIT: JOINT POWERS LEASES (AAA JPL)

I. GENERAL PROGRAM STATEMENT

This component funds the cost of long-term lease payments for joint power facility agreements. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Requirements	21,109,895	23,068,480	20,828,948	20,467,787
Total Revenue	629,201	-	64,365	-
Local Cost	20,480,694	23,068,480	20,764,583	20,467,787

2002-03 actual expenditures were less than budgeted. This is primarily a result of savings in interest expense on the county's variable rate certificates of participation due to historical lows in short term interest rates. These savings are partially offset by increased letter of credit fees on two of the county's variable rate issues.

Leases included in this budget for 2003-04 are:

1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,429,699
County Government Center	3,244,600
West Valley Detention Center	5,292,858
Glen Helen Blockbuster Pavilion	1,352,868
Justice Center/Chino Airport Improvements	6,302,291
Subtotal:	17,622,316
Savings from Refinancing of West Valley Detention Center Project to be Transferred for General Fund Financing Purposes	4,401,747
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing, Audit and Arbitrage Reimbursements**	823,075
	(2,379,351)
Subtotal:	2,845,471
Total:	20,467,787

** Reimbursements include Preschool building rents, Chino Airport rents, lease payments from Glen Helen Pavilion and a transfer from the utilities budget.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

In 2003-04, savings due to the refinancing of the West Valley Detention Center Project total \$4,401,747. Due to the potential impacts of the state budget on the county's general fund these savings will be transferred to the non-departmental budget unit as one-time financing available for allocation. This amount is included as one-time financing available in the 2003-04 financing plan.

COUNTY ADMINISTRATIVE OFFICE

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office - Joint Powers Lease
FUND: General AAA JPL

FUNCTION: General
ACTIVITY: Property Mgmt

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Services and Supplies	23,100,680	25,340,212	22,847,138	(4,401,747)	18,445,391
Total Exp Authority	23,100,680	25,340,212	22,847,138	(4,401,747)	18,445,391
Reimbursements	(2,271,732)	(2,271,732)	(2,379,351)	-	(2,379,351)
Total Appropriation	20,828,948	23,068,480	20,467,787	(4,401,747)	16,066,040
Operating Transfers Out	-	-	-	4,401,747	4,401,747
Total Requirements	20,828,948	23,068,480	20,467,787	-	20,467,787
Revenue					
Other Revenue	64,365	-	-	-	-
Total Revenue	64,365	-	-	-	-
Local Cost	20,764,583	23,068,480	20,467,787	-	20,467,787
Budgeted Staffing		15.0	27.0	(1.0)	26.0

Total Changes Included in Board Approved Base Budget

Services and Supplies	(2,144,223)	Reduce appropriation for one-time allocation of fund balance attributable to savings from the refinancing of the 1992 Justice Center/Airport Improvement Project. This combined with \$1,055,777 of savings from the refinancing of the 1992 West Valley Detention Center Project, was used to prepay \$3,200,000 of the Glen Helen taxable Certificates of Participation in 2002-03.
	12,167	Minor changes in lease schedules.
	(286,000)	On-going savings from the prepayment of Glen Helen taxable certificates of participation.
	90,383	Increase lease expense to exclude interest on 1997 Public Improvement Project until a certificate of completion is filed.
	(333,661)	Return one-time appropriation to rebate payment on 1997 Public Improvement Project.
	168,260	Increase in Letter of Credit fees.
	(2,493,074)	
Reimbursements	(100,000)	Estimated increase in reimbursement from Glen Helen Pavilion special revenue fund for naming rights.
	(7,619)	Minor changes in reimbursement schedules.
	(107,619)	
Total Requirements Change	(2,600,693)	
Total Revenue Change	-	
Total Local Cost Change	(2,600,693)	
Total 2002-03 Requirements	23,068,480	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	23,068,480	
Total Base Budget Requirements	20,467,787	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	20,467,787	

Board Approved Changes to Base Budget

Services and Supplies	(4,401,747)	Transfer appropriation from the 2003-04 one time savings from the refinancing of the West Valley Detention Center Project.
Total Appropriation	(4,401,747)	
Operating Transfers Out	4,401,747	Increase operating transfers out to transfer the 2003-04 refinancing savings to the non-departmental budget unit to help offset impacts of the state budget.
Total Requirements	-	
Local Cost	-	

COUNTY ADMINISTRATIVE OFFICE

BUDGET UNIT: CONTINGENCIES AND RESERVES (AAA CNA, CNR, CON)

I. GENERAL PROGRAM STATEMENT

Board Policy requires the county to maintain an appropriated contingency fund to accommodate unanticipated operational changes, legislative impacts or other economic events affecting the county's operations which could not have reasonably been anticipated at the time the budget was prepared. Funding for contingencies is targeted at 1.5% of locally funded appropriations. The contingency budget also includes an annual base allocation of \$1,000,000 for priority district and program needs. Final budget action includes a provision that allocates any difference between estimated and final fund balance be placed in contingencies.

County reserves include both general purpose and specific purpose reserves. General purpose reserves are funds held to protect the county from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the county. Board policy requires the establishment of an ongoing general purpose reserve for the general fund targeted at 10% of locally funded appropriations. Specific reserves are funds held to meet future known obligations or to build a reserve for capital projects.

II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Contingencies				
Per County Policy	-	4,790,447	-	5,223,535
Set aside for Specific Uncertainties	-	41,081,132	-	62,180,848
Transfers - Priority Policy Needs	455,971	2,645,204	477,221	3,167,983
	<u>455,971</u>	<u>48,516,783</u>	<u>477,221</u>	<u>70,572,366</u>

Actual uses of contingencies are reflected in departmental budget units.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

A. Contingencies

A base allocation to the contingency budget of \$5,223,535 is established pursuant to Board policy, based on 1.5% of the budgeted locally funded appropriations of \$348.2 million. An additional base allocation of \$1,000,000 (transfers) is established for priority district and program needs.

In final budget action, the Board allocated an additional \$62,180,848 of available financing to contingencies. This amount is set aside for specific uncertainties. Specific uncertainties include uncertainty surrounding state finances, the cost of the recall election, relocation space for the courts and rising local expenses such as workers compensation, MOU adjustments, and retirement benefits. The Board also re-appropriated the unspent allocation of \$2,167,983 of the 2002-03 priority policy needs to the 2003-04 budget bringing the total to \$3,167,983.

B. Reserves/Designations

For 2003-04, general-purpose reserves are increased by \$2.9 million to conform to the Board policy. This increase is based on 10% of the budgeted locally funded appropriations of \$348.2 million and brings the balance of general-purpose reserves to \$34.8 million.

As part of the 2002-03 final budget a reserve of \$2.0 million for equity studies for the county's general employees was established pursuant to the new MOU agreement. The Medical Center Debt Service reserve was increased slightly to reflect a planned contribution pursuant to the Medical Center Financing Plan. The projected use of \$900,000 of the restitution reserve represented the estimated 2002-03 expense of the continuing corruption litigation.

During 2002-03 the Board authorized the use of \$26.7 million in contingencies to increase one existing reserve and to establish five new specific purposes reserves. \$5.5 million was used to increase the reserve for Future Retirement Rate Increases; \$5.0 million was used to establish an Insurance reserve to manage increased costs in workers compensation and property insurance, \$5.7 million was used to establish an Electronic Voting System reserve, which represents the estimated local cost of the new system; \$6.0 million was used to establish the Valley and Pepper Intersection reserve; \$4.0 million was used to establish a Capital Projects reserve; and \$0.5 million was used to establish the Bark Beetle reserve to address the infestation in the local mountains.

COUNTY ADMINISTRATIVE OFFICE

During 2002-03 the Board approved the use of the \$6.0 million in the newly established Valley and Pepper Intersection reserve to fund the design and construction of the intersection. The Board also approved the use of the newly established \$0.5 million Bark Beetle reserve. The use of \$6,365,153 of the Restitution reserve was allocated to the Solid Waste Management Division to finance costs related to the perchlorate investigation at the Mid-Valley Sanitary Landfill. The budgeted use of \$900,000 of the Restitution reserve was reduced to \$870,470 to reflect actual budgetary expenses of the ongoing corruption litigation. Other uses include \$70,000 from the Justice Facilities reserve to purchase a modular office building to be used as a Sheriff's substation in Montclair and the use of \$122,856 of the Equity Pool reserve to fund equity increases for employees in the District Attorney, Public Defender and Assessor departments.

For 2003-04 the Equity Pool reserve, which funds the costs and results of employee classification studies, is increased by \$3.0 million. Uses of \$160,949 of the Equity Pool are planned to fund the 2003-04 costs of equity increases in the District Attorney, Public Defender and Assessor departments approved by the Board in 2002-03. A planned use of \$1.0 million of the Justice Facilities reserve will be used to offset a portion of the first year cost of the recently approved safety MOU. In final budget action the Board established a reserve of \$1.0 million for the Museum's Hall of Paleontology allocated an additional \$2.0 million to the Bark Beetle Reserve, and established, but did not fund, a Library Facility/Book reserve.

	2001-02 Ending Balance	2002-03		2002-04		Estimated 30-Jun-04 Balance
		Approved Contributions	Approved Uses	Recommended Contributions	Recommended Uses	
General Purpose Reserve	30,227,528	1,708,782		2,887,258		34,823,568
Specific Purpose Reserves						
Medical Center Debt Service	31,992,306	82,599				32,074,905
Teeter Reserve	19,260,087					19,260,087
Restitution Reserve	8,858,662	491,195	(7,235,623)			2,114,234
Retirement Reserve	1,500,000	5,500,000				7,000,000
Justice Facilities Reserve	4,955,408		(70,000)		(1,000,000)	3,885,408
West Valley Maximum Security	1,492,986					1,492,986
Equity Pool Reserve		2,000,000	(122,856)	3,000,000	(160,949)	4,716,195
Insurance Reserve		5,000,000				5,000,000
Electronic Voting Reserve		5,700,000				5,700,000
Pepper & Valley Intersection Reserve		4,000,000				4,000,000
Bark Beetle Reserve		6,000,000	(6,000,000)			-
Museum's Hall of Paleontology		500,000	(500,000)	2,000,000		2,000,000
Library Facility/Book Reserve				1,000,000		1,000,000
Total Specific Purpose	68,059,449	29,273,794	(13,928,479)	6,000,000	(1,160,949)	88,243,815
Total Reserves	98,286,977	30,982,576	(13,928,479)	8,887,258	(1,160,949)	123,067,383

COUNTY ADMINISTRATIVE OFFICE**BUDGET UNIT: NON-DEPARTMENTAL REVENUE (AAA FAD)****I. GENERAL PROGRAM STATEMENT**

The non-departmental revenue program includes income that is not directly related to any particular county activity. This discretionary revenue finances departmental budgets' local cost. The interest on notes appropriation reflects costs related to the county's annual short-term borrowing for cash flow needs. These costs are more than offset by earnings in the county's investment program. Special departmental expense appropriations are for county expenses that cannot be appropriately charged to a specific department.

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
<u>Appropriations</u>				
Special Dept Expense	1,371,645	1,000,000	603,453	1,000,000
Interest on Notes	4,799,268	5,000,000	3,011,231	5,000,000
Total Appropriation	6,170,913	6,000,000	3,614,684	6,000,000
<u>Revenue</u>				
Taxes	150,047,566	152,046,770	161,698,014	168,721,430
Use of Money & Prop	51,517,007	23,100,000	21,877,860	20,600,000
State Aid	114,518,053	116,953,588	119,451,943	126,773,967
Federal Aid	1,497,589	1,400,000	1,534,280	1,530,275
Current Services	26,562,698	30,432,750	32,781,213	35,180,011
Other	18,940,451	1,430,000	3,590,335	1,430,000
Total Revenue	363,083,364	325,363,108	340,933,645	354,235,683

II. BREAKDOWN OF REVENUES**TAXES**

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Co Share - Prop Tax	114,760,004	118,485,250	121,813,873	125,905,507
Supplemental Tax Roll	2,918,443	2,316,700	4,937,268	4,885,025
Penalty on Current Taxes	1,055,112	1,036,200	1,132,479	1,135,599
Prior Prop Txs/Pnlts	3,814,650	3,722,170	3,872,247	5,366,233
Sales and Use Tax	14,204,651	14,400,000	15,862,952	16,518,694
Franchise	5,453,307	4,780,000	4,846,384	5,010,000
Property Transfer	5,938,919	5,442,000	7,752,989	8,163,750
Other Taxes	1,902,480	1,864,450	1,479,822	1,736,622
Total Taxes	150,047,566	152,046,770	161,698,014	168,721,430

The county's share of the 1.0% property tax for 2003-04 is estimated to be \$125.9 million. This is based on an estimated 8.0% increase to assessed valuation.

In addition to property tax, the county is authorized to collect other types of taxes in the unincorporated areas. Sales and use taxes are projected to increase approximately 6.2% over the 2002-03 year end estimate. Franchise taxes, which are collected primarily from utility company and cable TV revenue, are projected to grow slightly.

USE OF MONEY AND PROPERTY - \$20,600,000

Total interest earnings for 2003-04 are projected at \$20.6 million. These earnings will be offset by \$5.0 million in expenses associated with the short-term revenue anticipation notes program (TRANS). The decrease in this revenue source is attributable to lower interest revenue projections on the TRANS. The TRANS is not expected to produce a significant amount of revenue in 2003-04, due to low spreads between borrowed and invested funds.

COUNTY ADMINISTRATIVE OFFICE

STATE AID

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Motor Vehicle In Lieu	111,964,215	115,154,588	117,661,384	124,974,967
Other Aid	2,553,838	1,799,000	1,790,559	1,799,000
Total State Aid	114,518,053	116,953,588	119,451,943	126,773,967

Motor vehicle in-lieu tax (VLF) is based on vehicle registration fees and new car sales statewide. The majority of these fees are allocated to local governments as general purpose financing. Distribution of these funds is made on the basis of population. In 2002-03 VLF fees to vehicle owners had been reduced by 67.5% by the State, who then backfilled these lost revenues to local governments from the State's general fund. Effective June 20, 2003, the state ceased making these backfill payments and reinstated the full VLF. However, VLF fees will not be returned to their full rate until October 1, 2003. This resulted in a loss of approximately \$2.2 million to the County's VLF general-purpose revenue in 2002-03. The 2003-04 budgeted amount reflects estimated VLF revenues assuming the backfill would remain until the full VLF rate was reinstated. It also assumes a 6% revenue increase from the 2002-03 year end estimates prior to the elimination of the backfill, based on a stable growth rate in these revenues and an increase in the County's population share.

Other aid consists of a payment from the welfare realignment trust fund, which replaced the state revenue stabilization program, and SB90 reimbursements from the state.

FEDERAL AID - \$1,530,275

Federal payments in lieu of taxes are due to federally owned lands within the county. This revenue source is budgeted to be consistent with actual revenues received in 2002-03.

CURRENT SERVICES

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Reimbursement-Indirect Costs	13,514,238	17,500,000	17,282,020	20,847,838
Law Enforcement Svc	3,983,962	3,937,000	4,323,386	3,937,000
Sheriff Contract Overhead	898,438	1,000,000	1,670,483	1,000,000
SB 813 Cost Reimbursement	1,455,700	1,295,750	2,668,128	2,720,173
Other Services	6,710,360	6,700,000	6,837,196	6,675,000
Total Current Services	26,562,698	30,432,750	32,781,213	35,180,011

Various state and federal grants permit the county to claim certain overhead costs against them. In addition, most fee supported general fund departments and taxing entities, such as the library and Board-governed special districts, are charged COWCAP to recover costs incurred in the general fund on their behalf. Reimbursement for indirect costs reflects those recovered allowable costs included in the 2003-04 countywide cost allocation plan (COWCAP). The increase in the 2003-04 budget from prior year actual is due to a change in the billing method for seven Human Services Departments, increased salary and benefit costs for employees, and increases in Unemployment Insurance costs, mainly in the Preschool Services Department.

Law enforcement services reflect the amount estimated to be recovered through the jail booking fee. The budget is based on a fee of \$159.72 on approximately 24,600 bookings. This fee was not increased for 2003-04.

Sheriff contract overhead represents certain county overhead charges recovered through city law enforcement contracts with the Sheriff's Department.

SB 813 cost reimbursement represents allowable charges for administration and operation of the supplemental property tax program. This reimbursement is tied directly to the performance of supplemental property tax revenue. Other services reflect the property tax administrative fee, which the legislature provided for counties to recover the cost of property assessment and tax collection process from certain other local jurisdictions. This revenue is tied directly to the cost of that collection effort.

OTHER REVENUE - \$1,430,000

Other revenue consists of voided warrants issued by the county, projected transfers of unclaimed property tax refunds to the general fund, the county share of vehicle code violation revenue, and other miscellaneous revenues.

COUNTY ADMINISTRATIVE OFFICE

BUDGET UNIT: FEDERAL FOREST RESERVES (SFB CAO)

I. GENERAL PROGRAM STATEMENT

In 1908, Congress enacted a law that requires 25% of the revenues derived from the National Forest System to be given to counties in which the lands are situated for the equal benefit of public schools and roads. Pursuant to Public Law No. 106-393, enacted on October 30, 2000, counties could elect to remain under the 25% Payment Method with fluctuating funding levels or change to the Full Payment Method, that requires these revenues to fund either Title II or Title III projects under the Act. The County elected the Full Payment Method. Title II project funds may be used for the purpose of making additional investments in, and creating additional employment opportunities through projects that improve the maintenance of existing infrastructure, implementing stewardship objectives that enhance forest ecosystems, and restoring and improving land health and water quality. Authorized uses for Title III projects include search, rescue, and emergency services; community service work camps, easement purchases; forest-related educational opportunities; fire prevention and county planning; and community forestry. The State Controller's Office distributes funds to each eligible county according to the agreed upon formula and the counties' election of fund distribution. There is no staffing associated with this budget unit.

During March 2002, this funding source was transferred to a special revenue fund, as required by GASB 34.

II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Requirements	-	-	-	130,368
Total Revenue	-	-	65,318	65,050
Fund Balance		-		65,318

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

None.

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office - Federal Forest Reserve
FUND: Special Revenue SFB CAO

FUNCTION: Public Protection
ACTIVITY: Other Protection

	<u>2002-03 Actuals</u>	<u>2002-03 Approved Budget</u>	<u>2003-04 Board Approved Base Budget</u>	<u>2003-04 Board Approved Changes to Base Budget</u>	<u>2003-04 Final Budget</u>
<u>Appropriation</u>					
Operating Transfers Out	-	-	64,000	66,368	130,368
Total Requirements	-	-	64,000	66,368	130,368
<u>Revenue</u>					
Use of Money & Prop	723	-	-	50	50
State, Fed or Gov't Aid	64,595	-	64,000	1,000	65,000
Total Revenue	65,318	-	64,000	1,050	65,050
Fund Balance		-	-	65,318	65,318

COUNTY ADMINISTRATIVE OFFICE

Total Changes Included in Board Approved Base Budget		
Operating Transfers Out	64,000	Operating transfers out to fund aerial photography project and fund program manager position related to bark beetle infestation. Approved by the Board on April 8, 2003.
Revenue		
State, Fed or Gov't Aid	64,000	National Forest System revenue.
Total Requirements Change	64,000	
Total Revenue Change	64,000	
Total Fund Balance Change	-	
Total 2002-03 Requirements	-	
Total 2002-03 Revenue	-	
Total 2002-03 Fund Balance	-	
Total Base Budget Requirements	64,000	
Total Base Budget Revenue	64,000	
Total Base Budget Fund Balance	-	

Board Approved Changes to Base Budget		
Operating Transfers Out	66,368	Anticipated increase in operating transfers out to fund approved Title II or Title III projects and fund balance adjustment.
Total Requirements	66,368	
Revenue		
Use of Money & Prop.	50	Anticipated increase in revenue.
State, Fed or Gov't Aid	1,000	Projected 2003-04 National Forest System allocation increase.
Total Revenue	1,050	
Fund Balance	65,318	

COUNTY ADMINISTRATIVE OFFICE

BUDGET UNIT: MASTER SETTLEMENT AGREEMENT (RSM MSA)

I. GENERAL PROGRAM STATEMENT

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998 a settlement was reached in a lawsuit filed by states against the tobacco industry. In California the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Requirements	18,341,126	26,947,289	18,386,633	27,886,223
Total Revenue	22,720,793	20,433,000	21,931,131	17,876,000
Fund Balance		6,514,289		10,010,223

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, estimated requirements in this fund are less than budgeted. The amount not expended is carried over to the subsequent year's budget.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

Program changes in services and supplies include a decrease of \$686,093 as a result of the completion of the tobacco cessation programs, which were established with an allocation in the 2000-01 budget. In addition, \$2.7 million, previously appropriated in services and supplies, is now reflected in operating transfers for general financing purposes. Beginning with 2003-04, annual payments to the county from the Master Settlement Agreement for the next four years are scheduled at \$17.5 million. This \$2.7 million expected decrease in tobacco settlement proceeds directly corresponds to the \$2.7 million scheduled decrease in general fund financing for the Medical Center debt.

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office - Master Settlement
FUND: Special Revenue RSM MSA

FUNCTION: General
ACTIVITY: Finance

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Services and Supplies	686,633	9,247,289	9,247,289	414,486	9,661,775
Contingencies	-	-	-	491,448	491,448
Total Appropriation	686,633	9,247,289	9,247,289	905,934	10,153,223
Operating Transfers Out	17,700,000	17,700,000	17,700,000	33,000	17,733,000
Total Requirements	18,386,633	26,947,289	26,947,289	938,934	27,886,223
Revenue					
Use of Money & Prop	349,405	200,000	200,000	160,000	360,000
Other Revenue	21,581,726	20,233,000	20,233,000	(2,717,000)	17,516,000
Total Revenue	21,931,131	20,433,000	20,433,000	(2,557,000)	17,876,000
Fund Balance		6,514,289	6,514,289	3,495,934	10,010,223

COUNTY ADMINISTRATIVE OFFICE

Board Approved Changes to Base Budget

Services & Supplies	3,833,579	Budgeted adjustment for estimated fund balance.
	(2,733,000)	Transferred appropriation to operating transfers out.
	(686,093)	Allocation for Tobacco Use Reduction program from 2000-01.
	<u>414,486</u>	
Contingencies	<u>491,448</u>	Final fund balance adjustment placed in contingencies.
Total Appropriation	<u>905,934</u>	
Operating Transfers Out	(2,700,000)	Decrease in financing for the Medical Center debt.
	2,733,000	Increase in general purpose financing.
	<u>33,000</u>	
Total Requirements	<u>938,934</u>	
Revenue		
Use of Money & Prop	<u>160,000</u>	Anticipated increase in interest due to fund balance.
Other Revenue	<u>(2,717,000)</u>	Anticipated decrease in tobacco proceeds per the Master Settlement Agreement.
Total Revenue	<u>(2,557,000)</u>	
Fund Balance	<u>3,495,934</u>	

COUNTY ADMINISTRATIVE OFFICE

BUDGET UNIT: MEDICAL CENTER LEASE PAYMENT FUND (EMD JPL)

I. GENERAL PROGRAM STATEMENT

This unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from the SB 1732 – Construction Renovation/Reimbursement Program, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by realignment revenues and tobacco settlement proceeds. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	53,529,236	53,115,289	53,023,459	53,158,112
Total Financing Sources	53,529,236	53,115,289	53,023,459	53,158,112

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

PROGRAM CHANGES

Services and supplies reflect a slight increase due to an estimated increase in net lease payments coupled with an increase in trustee/administrative fees associated with the debt. State revenues from the SB 1732 – Construction Renovation/Reimbursement program are increased as this reimbursement is based on a percentage of the net lease payments. As mentioned in the Master Settlement Agreement budget unit, annual payments to the County of San Bernardino of tobacco settlement proceeds are scheduled to decrease by \$2.7 million in 2003-04. This decrease will be offset by an increase in realignment revenues of \$2.7 million.

GROUP: Administrative/Executive			FUNCTION: General		
DEPARTMENT: County Administrative Office - Medical Ctr Lease			ACTIVITY: Property Mgmt		
FUND: Enterprise EMD JPL					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Services and Supplies	53,023,459	53,115,289	53,115,289	42,823	53,158,112
Total Operating Expense	53,023,459	53,115,289	53,115,289	42,823	53,158,112
Revenue					
State, Fed or Gov't Aid	27,108,973	24,466,969	24,466,969	17,040	24,484,009
Total Revenue	27,108,973	24,466,969	24,466,969	17,040	24,484,009
Operating Transfers In	25,914,486	28,648,320	28,648,320	25,783	28,674,103
Total Financing Sources	53,023,459	53,115,289	53,115,289	42,823	53,158,112

Board Approved Changes to Base Budget		
Services and Supplies	6,178	Increase in trustee/administrative fees associated with the debt.
	36,645	Increase in net lease payments.
	42,823	
Total Operating Expense	42,823	
State, Fed or Gov't Aid	17,040	Increase in SB1732 state revenues due to an increase in net lease payments.
Total Revenue	17,040	
Operating Transfers In	2,725,783	Increase in realignment from health care costs budget.
	(2,700,000)	Decrease in tobacco settlement proceeds.
	25,783	
Total Financing Sources	42,823	

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY COUNSEL
COUNTY COUNSEL: RON REITZ
BUDGET UNIT: AAA CCL

I. GENERAL PROGRAM STATEMENT

County Counsel provides civil legal services to the Board of Supervisors, county departments, and agencies, commissions, special districts, and school districts. County Counsel also provides legal advice to various joint powers authorities and represents the courts and judges on request.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	6,195,376	6,959,841	6,453,046	7,102,029
Total Revenue	4,087,894	3,696,950	4,250,966	3,777,460
Local Cost	2,107,482	3,262,891	2,202,080	3,324,569
Budgeted Staffing		71.0		65.7
<u>Workload Indicators</u>				
Attorney-Client Hours	72,400	73,800	74,903	75,200

Expense variance is due primarily to salary savings from vacant positions during the hiring freeze; spend down plan and medical leave of absences. Revenue variance is due primarily from additional services provided to: Department of Children's Services, Risk Management, and Flood Control.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 5.3 positions. Included in base budget is a decrease of 2.0 positions (1.0 Deputy County Counsel IV and 1.0 Clerk) which were eliminated as a result of the 4% Spend Down Plan and 30% Cost Reduction Plan. Program budgeted staffing changes of 3.3 positions consisted of the reduction of 1.0 Deputy County Counsel I, 1.0 Executive Secretary I, 1.0 Executive Secretary II and a reduction of 0.3 hours of part time Deputy County Counsel IV employees.

PROGRAM CHANGES

None.

GROUP: Administrative/Executive DEPARTMENT: County Counsel FUND: General AAA CCL			FUNCTION: General ACTIVITY: Counsel		
	2002-03 Actuals	2002-03 Approved Budget	2002-03 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	6,382,395	6,954,474	7,334,770	(49,970)	7,284,800
Services and Supplies	737,184	772,796	702,794	42,643	745,437
Central Computer	65,269	65,269	44,901	-	44,901
Other Charges	-	660	660	(660)	-
Equipment	-	30,500	5,500	(5,500)	-
Transfers	(1,944)	-	(1,178)	13,487	12,309
Total Exp Authority	7,182,904	7,823,699	8,087,447	-	8,087,447
Reimbursements	(729,858)	(863,858)	(985,418)	-	(985,418)
Total Appropriation	6,453,046	6,959,841	7,102,029	-	7,102,029
<u>Revenue</u>					
State Aid	(145)				
Current Services	4,251,111	3,696,950	3,777,460	-	3,777,460
Total Revenue	4,250,966	3,696,950	3,777,460	-	3,777,460
Local Cost	2,202,080	3,262,891	3,324,569	-	3,324,569
Budgeted Staffing		71.0	69.0	(3.3)	65.7

COUNTY COUNSEL

Total Changes Included in Board Approved Base Budget		
Salaries and Benefits	173,485	MOU.
	315,466	Retirement.
	8,045	Risk Management Workers Comp.
	(31,700)	4% Spend Down Plan - 1.0 Clerk II.
	(85,000)	30% Cost Reduction Plan - 1.0 Deputy County Counsel IV.
	<u>380,296</u>	
Services and Supplies	6,814	Risk Management Liabilities.
	(73,816)	4% Spend Down Plan.
	(3,000)	30% Cost Reduction Plan.
	<u>(70,002)</u>	
Central Computer	<u>(20,368)</u>	
Transfers	<u>(1,178)</u>	Incremental Change in EHAP.
Fixed Assets	<u>(25,000)</u>	4% Spend Down Plan.
Reimbursements	<u>(121,560)</u>	30% Cost Reduction Plan.
Revenue		
Current Services	<u>80,510</u>	30% Cost Reduction Plan.
Total Appropriation Change	142,188	
Total Revenue Change	80,510	
Total Local Cost Change	61,678	
Total 2002-03 Appropriation	6,959,841	
Total 2002-03 Revenue	3,696,950	
Total 2002-03 Local Cost	3,262,891	
Total Base Budget Appropriation	7,102,029	
Total Base Budget Revenue	3,777,460	
Total Base Budget Local Cost	3,324,569	

Board Approved Changes to Base Budget		
Salaries and Benefits	72,131	Budget Adjustment- due to equity adjustments and merits
	(122,101)	Budget Adjustment- reduction of hours on part-time employees equivalent to 3.3 employees.
	<u>(49,970)</u>	
Services and Supplies	56,130	Budget Adjustments - Increase of expert witnesses and case costs.
	(13,487)	GASB 34 Accounting Change (EHAP).
	<u>42,643</u>	
Other Charges	<u>(660)</u>	Budget Adjustment- to remove interest charges - contract complete.
Equipment	<u>(5,500)</u>	Budget Adjustment - reduction of fixed assets.
Transfers	<u>13,487</u>	GASB 34 Accounting Change (EHAP).
Total Appropriation	<u>-</u>	
Total Revenue	<u>-</u>	
Local Cost	<u>-</u>	

HUMAN RESOURCES

OVERVIEW OF BUDGET

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: MARCEL TURNER

2003-04						
	Operating Exp/ Appropriation	Financing Sources	Local Cost	Fund Balance	Revenue Over (Under) Exp	Staffing
Human Resources	8,157,864	3,103,566	5,054,298			116.5
Emp Hlth & Wellness	30,000	30,000	-			13.0
Unemployment Insurance	2,700,000	-	2,700,000			-
Commuter Services	891,034	506,000		385,034		3.5
Emp Benefits & Services	3,335,953	2,072,000		1,263,953		-
Risk Management	4,614,219	4,614,219			-	65.0
Insurance Programs	47,652,314	49,002,994			1,350,680	-
TOTAL	67,381,384	59,328,779	7,754,298	1,648,987	1,350,680	198.0

BUDGET UNIT: HUMAN RESOURCES (AAA HRD)

I. GENERAL PROGRAM STATEMENT

The Human Resources Department administers the county's human resources programs. This includes responsibility for employee testing, certification, and selection; employee benefits and services; employee relations; systems and program administration for a portion of the Employee Management and Compensation System (EMACS); the Equal Employment Opportunity Office; and the Commission on the Status of Women. Human Resources also shares the responsibility, through a partnership with Human Services System, for countywide organizational and employee development and the Management Leadership Academy.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	8,308,492	9,457,530	7,291,454	8,157,864
Total Financing Sources	3,491,462	4,283,077	3,041,486	3,103,566
Local Cost	4,817,030	5,174,453	4,249,968	5,054,298
Budgeted Staffing		129.8		116.5
Workload Indicators				
Applications accepted	65,012	65,000	53,867	93,000
Applicants tested	24,935	25,000	14,422	28,000

Total expenditures and revenue for 2002-03 was less than budget. This is due to a change in accounting whereby payments from departments for the Employee Health and Productivity (EHAP) program and the Employee Assistance Program (EAP) were recognized as abatements to services and supplies rather than revenue as budgeted. In 2003-04, these payments are correctly budgeted as reimbursements rather than revenue.

The number of applications is expected to increase due to the online application process implemented in 2002-03, which has enabled the Employment Division to accept employment applications via the Internet.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by a total of 13.3 positions. Included in base budget is the deletion of 2.0 Public Service Employee, 0.3 Staff Analyst II, and 1.0 Personnel Technician, which is a portion of the department's 30% cost reduction plan implemented. In addition, 1.0 Nurse Practitioner II is deleted because it is no longer required to administer the EHAP program. Per Board direction 9.0 vacant budgeted positions (2.0 Clerk II, 1.0 Employee Benefits Representative, 2.0 Human Resources Analyst 1, 2.0 Human Resources Analyst II, and 2.0 Human Resources Officer II) that were not in recruitment were deleted during budget adoption.

PROGRAM CHANGES

Per GASB 34, departmental reimbursements for the EHAP program, EAP, and the Center for Employee Health and Wellness are accounted for as reimbursements rather than revenue.

HUMAN RESOURCES

GROUP: Administrative/Executive
DEPARTMENT: Human Resources
FUND: General AAA HRD

FUNCTION: General
ACTIVITY: Personnel

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	7,006,102	7,728,774	8,199,577	(444,149)	7,755,428
Services and Supplies	1,712,639	3,844,467	3,635,275	128,266	3,763,541
Central Computer	129,054	129,054	106,156	-	106,156
Equipment	-	20,000	-	20,000	20,000
Transfers	143,201	144,870	144,870	47,816	192,686
Total Exp Authority	8,990,996	11,867,165	12,085,878	(248,067)	11,837,811
Reimbursements	(1,699,542)	(2,409,635)	(2,445,535)	(1,234,412)	(3,679,947)
Total Appropriation	7,291,454	9,457,530	9,640,343	(1,482,479)	8,157,864
Revenue					
Use of Money/Property	31	-	-	-	-
Current Services	393	-	-	-	-
Current Services	2,655,832	399,000	399,000	35,500	434,500
Other Revenue	385,230	3,884,077	3,884,077	(3,844,077)	40,000
Total Revenue	3,041,486	4,283,077	4,283,077	(3,808,577)	474,500
Other Financing Sources	-	-	-	2,629,066	2,629,066
Total Financing	3,041,486	4,283,077	4,283,077	(1,179,511)	3,103,566
Local Cost	4,249,968	5,174,453	5,357,266	(302,968)	5,054,298
Budgeted Staffing		129.8	126.5	(10.0)	116.5

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	204,619	MOU.
	369,749	Retirement.
	10,235	Risk Management Workers' Compensation.
	(113,800)	30% Cost Reduction Plan (delete 2.0 Public Service Employee, 0.3 Staff Analyst II, 1.0 Personnel Technician).
	<u>470,803</u>	
Services and Supplies	(186,978)	4% Spend Down Plan.
	50,000	Tuition fund for Specialized Peach Officers - approved by the board on September 10, 2002.
	14,302	Risk Management Liabilities.
	(816)	Incremental change in EHAP.
	(85,700)	30% Cost Reduction Plan.
	<u>(209,192)</u>	
Central Computer	<u>(22,898)</u>	
Equipment	<u>(20,000)</u>	
Reimbursements	<u>(35,900)</u>	30% Cost Reduction Plan.
Total Appropriation Change	182,813	
Total Financing Sources Change	-	
Total Local Cost Change	182,813	
Total 2002-03 Appropriation	9,457,530	
Total 2002-03 Financing Sources	4,283,077	
Total 2002-03 Local Cost	5,174,453	
Total Base Budget Appropriation	9,640,343	
Total Base Budget Financing Sources	4,283,077	
Total Base Budget Local Cost	5,357,266	

HUMAN RESOURCES

Board Approved Changes to Base Budget

Salaries and Benefits	(80,506)	Delete 1.0 Nurse Practitioner II.
	(602,256)	Delete 9.0 vacant positions--2.0 Clerk II; 1.0 Employee Benefits Representative; 2.0 Human Resources Analyst I; 2.0 Human Resources Analyst II; 2.0 Human Resources Officer II.
	238,613	Step increases for various positions.
	<u>(444,149)</u>	
Services and Supplies	(23,319)	GASB 34 accounting change (EHAP).
	151,585	Adjustments for expected cost increases.
	<u>128,266</u>	
Equipment	<u>20,000</u>	Digital identification card machine.
Transfers	24,497	Increase for County Counsel charges.
	23,319	GASB 34 accounting change (EHAP).
	<u>47,816</u>	
Total Expenditure Authority	<u>(248,067)</u>	
Reimbursements	(1,234,412)	GASB 34 accounting change (EHAP, CEHW, and EAP).
Total Appropriation	<u>(1,482,479)</u>	
Revenue		
Current Services	<u>35,500</u>	Increased revenue for positions funded by various county departments.
Other Revenue	(1,215,011)	GASB 34 accounting change (EHAP, CEHW, and EAP).
	(2,629,066)	Accounting change--Employee Benefits reimbursements from special revenue fund SDG HRD.
	<u>(3,844,077)</u>	
Total Revenue	<u>(3,808,577)</u>	
Other Financing Sources	2,629,066	Accounting change--Employee Benefits reimbursements from special revenue fund SDG HRD.
Total Financing Sources	<u>(1,179,511)</u>	
Local Cost	<u>(302,968)</u>	

HUMAN RESOURCES

BUDGET UNIT: EMPLOYEE HEALTH AND WELLNESS (AAA OCH)

I. GENERAL PROGRAM STATEMENT

The Center for Employee Health and Wellness is responsible for employee and applicant pre-employment and in-service medical examinations, medical records, representing the county in hearings before the Civil Service Commission regarding appeals of medical findings, and advising the county's management on compliance with Occupational Safety and Health Administration (OSHA) regulations and occupational medical problems. The program had been financed through the county's workers' compensation insurance sub fund. Beginning in 2001-02, the program has been financed by direct reimbursements from county departments with costs allocated on the basis of the number of budgeted positions.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	1,234,479	1,600,000	639,991	30,000
Total Revenue	1,633,020	1,600,000	784,736	30,000
Local Cost	(398,541)	-	(144,745)	-
Budgeted Staffing		13.8		13.0
Workload Indicators				
Preplacement Physicals	4,314	5,000	2,604	2,500
Work Injury/Illness Exams	1,416	1,500	1,727	1,600
Fitness-For -Duty-Exams	32	25	32	30
Other Exams	6,488	5,675	7,378	7,800

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by a total of 0.8 positions based on an anticipated reduction in countywide hiring. The deleted positions include 0.5 Licensed Vocational Nurse and 0.3 Contract Occupational Physician.

PROGRAM CHANGES

Per GASB 34, departmental reimbursements are accounted for as reimbursements rather than revenue.

GROUP: Administrative/Executive			FUNCTION: General		
DEPARTMENT: Human Resources - Employee Health and Wellness			ACTIVITY: Personnel		
FUND: General AAA OCH					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	823,731	944,780	1,024,105	(57,651)	966,454
Services and Supplies	(192,134)	518,117	96,621	47,581	144,202
Central Computer	8,394	8,394	7,249	-	7,249
Transfers	128,709	128,709	128,709	40,070	168,779
Total Exp Authority	768,700	1,600,000	1,256,684	30,000	1,286,684
Reimbursements	(128,709)	-	-	(1,256,684)	(1,256,684)
Total Appropriation	639,991	1,600,000	1,256,684	(1,226,684)	30,000
Revenue					
Current Services	54,956	1,600,000	1,256,684	(1,226,684)	30,000
Other Revenue	729,780	-	-	-	-
Total Revenue	784,736	1,600,000	1,256,684	(1,226,684)	30,000
Local Cost	(144,745)	-	-	-	-
Budgeted Staffing		13.8	13.8	(0.8)	13.0

HUMAN RESOURCES

Total Changes Included in Board Approved Base Budget	
Salaries and Benefits	23,975 MOU.
	45,306 Retirement.
	10,044 Risk Management Workers Comp.
	<u>79,325</u>
Services and Supplies	7,055 Risk Management Liabilities.
	(208) Incremental change in EHAP.
	<u>(428,343) Cost reductions due to decrease in demand.</u>
	<u>(421,496)</u>
Central Computer	<u>(1,145)</u>
Revenue	
Current Services	<u>(343,316) Revenue adjustments for budget changes and cost reductions.</u>
Total Appropriation Change	(343,316)
Total Revenue Change	(343,316)
Total Local Cost Change	-
Total 2002-03 Appropriation	1,600,000
Total 2002-03 Revenue	1,600,000
Total 2002-03 Local Cost	-
Total Base Budget Appropriation	1,256,684
Total Base Budget Revenue	1,256,684
Total Base Budget Local Cost	-

Board Approved Changes to Base Budget	
Salaries and Benefits	<u>(57,651) Staffing decreases due to decreased demand for service.</u>
Services and Supplies	(2,600) GASB 34 accounting change (EHAP).
	50,181 Adjustments for expected cost increases.
	<u>47,581</u>
Transfers	2,600 GASB 34 accounting change (EHAP).
	37,470 Increase in rent expense.
	<u>40,070</u>
Total Exp Authority	<u>30,000</u>
Reimbursements	<u>(1,256,684) GASB 34 accounting change (departmental charges for OCH services).</u>
Total Appropriation	<u>(1,226,684)</u>
Current Services	<u>(1,226,684) GASB 34 accounting change (departmental charges for OCH services).</u>
Total Revenue	<u>(1,226,684)</u>
Local Cost	<u>-</u>

HUMAN RESOURCES

BUDGET UNIT: UNEMPLOYMENT INSURANCE (AAA UNI)

I. GENERAL PROGRAM STATEMENT

This is a mandated program based upon a 1978 amendment to the California Unemployment Insurance Code extending unemployment insurance benefits to all public employees. Management's objective for the program is cost containment. Unemployment insurance claims filed by former county employees are monitored, reviewed for eligibility, and challenged when appropriate to prevent abuse of the program. There is no staffing associated with this budget unit.

II. BUDGET AND WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	1,558,511	1,500,000	2,529,061	2,700,000
Local Cost	1,558,511	1,500,000	2,529,061	2,700,000

Actual program costs in 2002-03 were significantly higher than budgeted due to an increase in the number of claims, which is attributable in part to the countywide reduction in Public Service Employees and increased unemployment benefits. Former employees, including Public Service Employees, who are currently unemployed through no fault of their own, are eligible to receive unemployment benefits.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

PROGRAM CHANGES

None.

GROUP: Administrative/Executive
DEPARTMENT: Human Resources - Unemployment Insurance
FUND: General AAA UNI

FUNCTION: General
ACTIVITY: Personnel

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	2,464,061	1,435,000	2,625,000	-	2,625,000
Services and Supplies	15,000	15,000	25,000	-	25,000
Transfers	50,000	50,000	50,000	-	50,000
Total Appropriation	2,529,061	1,500,000	2,700,000	-	2,700,000
Local Cost	2,529,061	1,500,000	2,700,000	-	2,700,000

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	1,190,000	Expected increase in cost of claims based on 2002-03 estimates.
Services and Supplies	10,000	Increased contract costs.
Total Appropriation Change	1,200,000	
Total Revenue Change	-	
Total Local Cost Change	1,200,000	
Total 2002-03 Appropriation	1,500,000	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	1,500,000	
Total Base Budget Appropriation	2,700,000	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	2,700,000	

HUMAN RESOURCES

BUDGET UNIT: COMMUTER SERVICES (SDF HRD)

I. GENERAL PROGRAM STATEMENT

This is a fund established to account for funds received under AB 2766 to finance mobile source air pollution reduction programs. AB 2766 authorizes air pollution control districts to levy fees on motor vehicles to be used to reduce air pollution. Under this program, the Department of Motor Vehicles collects fees and remits amounts to the appropriate Air Quality Management District (AQMD) for vehicles registered within the District. This fund receives AB 2766 funding from both the South Coast Air Quality Management District (SCAQMD) and the Mojave Desert Air Quality Management District (MDAQMD).

II. BUDGET AND WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	-	566,502	258,348	891,034
Total Revenue	289,502	277,000	352,576	506,000
Fund Balance		289,502		385,034
Budgeted Staffing		4.0		3.5

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing decreases by 0.5 due to the deletion of 1.0 Public Service Employee offset by the addition of 0.5 Clerk III.

PROGRAM CHANGES

Appropriations and revenues are increased due to the restructuring of the Vanpool Program as approved by the Board on June 10, 2003.

GROUP: Administrative/Executive DEPARTMENT: Human Resources - Commuter Services FUND: Special Revenue SDF HRD			FUNCTION: General ACTIVITY: Personnel		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	204,694	230,968	248,656	696	249,352
Services and Supplies	33,654	315,534	316,441	(77,579)	238,862
Transfers	20,000	20,000	20,693	15,000	35,693
Contingencies	-	-	-	367,127	367,127
Total Appropriation	258,348	566,502	585,790	305,244	891,034
<u>Revenue</u>					
Use of Money and Property	13,645	-	-	16,000	16,000
State, Fed or Gov't Aid	213,768	277,000	277,000	8,000	285,000
Current Services	141,581	-	-	205,000	205,000
Other Revenue	(16,418)	-	-	-	-
Total Revenue	352,576	277,000	277,000	229,000	506,000
Fund Balance		289,502	308,790	76,244	385,034
Budgeted Staffing		4.0	4.0	(0.5)	3.5

HUMAN RESOURCES

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	6,468	MOU.
	10,920	Retirement.
	300	Risk Management Workers' Comp.
	<u>17,688</u>	
Services and Supplies	<u>907</u>	Risk Management Liabilities.
Transfers	<u>693</u>	Incremental change in EHAP.
Total Appropriation Change	19,288	
Total Revenue Change	-	
Total Fund Balance Change	19,288	
Total 2002-03 Appropriation	566,502	
Total 2002-03 Revenue	277,000	
Total 2002-03 Fund Balance	289,502	
Total Base Budget Appropriation	585,790	
Total Base Budget Revenue	277,000	
Total Base Budget Fund Balance	308,790	

Board Approved Changes to Base Budget

Salaries and Benefits	<u>696</u>	Step increases offset by the decrease of 1.0 part-time PSE and the addition of 0.5 Clerk III.
Services and Supplies	(282,579)	Reduce budgeted services and supplies and move excess appropriation to contingencies.
	205,000	Final budget change to add \$205,000 for vanpool program approved by the Board on June 10, 2003 #85.
	<u>(77,579)</u>	
Transfers	<u>15,000</u>	Increased costs for administrative overhead.
Contingencies	<u>367,127</u>	Appropriation moved from services and supplies since funding is not yet earmarked for program expense.
Total Appropriation	<u>305,244</u>	
Revenue		
Use of Money & Prop	<u>16,000</u>	Interest.
State, Fed or Gov't Aid	<u>8,000</u>	Expected increase in program revenue from SCAQMD and MDAQMD.
Current Services	<u>205,000</u>	Final budget change to add \$205,000 for vanpool program approved by the Board on June 10, 2003 #85.
Total Revenue	<u>229,000</u>	
Fund Balance	<u>76,244</u>	

HUMAN RESOURCES

BUDGET UNIT: EMPLOYEE BENEFITS & SERVICES (SDG HRD)

I. GENERAL PROGRAM STATEMENT

This fund was established to account for administrative and management fees collected for managing the County's various employee benefit plans. The fees collected are subsequently transferred to the general fund for the reimbursement of actual administrative and management costs. There is no staffing associated with this budget unit.

II. BUDGET AND WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	-	2,621,200	2,419,579	3,335,953
Total Revenue	1,598,761	1,022,439	2,084,771	2,072,000
Fund Balance		1,598,761		1,263,953

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

Beginning in 2003-04, revenues for consulting fees will be transferred in from various medical and dental trust funds and then transferred out to the general fund. Previously, these costs were paid directly from the various trust funds. This change will provide better accountability and tracking for fully costing employee benefits administration. Revenues are also increased as per the investment services provider contract with ING, which was approved by the Board on April 9, 2003.

GROUP: Administrative/Executive DEPARTMENT: Human Resources - Employee Benefits & Services FUND: Special Revenue SDG HRD			FUNCTION: General ACTIVITY: Personnel		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2002-03 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Transfers	2,419,579	2,621,200	2,621,200	7,866	2,629,066
Contingencies	-	-	-	706,887	706,887
Total Appropriation	2,419,579	2,621,200	2,621,200	714,753	3,335,953
<u>Revenue</u>					
Use of Money & Prop	190,069	-	-	150,000	150,000
Current Services	1,894,702	-	-	1,337,000	1,337,000
Other Revenue	-	1,022,439	1,022,439	(437,439)	585,000
Total Revenue	2,084,771	1,022,439	1,022,439	1,049,561	2,072,000
Fund Balance		1,598,761	1,598,761	(334,808)	1,263,953

Board Approved Changes to Base Budget

Transfers	7,866	Projected cost increase for benefits administration.
Contingencies	706,887	Adjustment for fund balance.
Total Appropriation	714,753	
Revenue		
Use of Money & Prop	150,000	Interest.
Current Services	900,000	Change in accounting; moved from other revenue. Also reflects reduced revenues due to projected countywide staffing decreases.
	437,000	Revenue from ING for salary savings plan administration.
	1,337,000	
Other Revenue	(1,022,439)	Change in accounting; moved to current services revenue.
	585,000	Revenue for consulting fees. Previously paid directly from trust funds.
	(437,439)	
Total Revenue	1,049,561	
Fund Balance	(334,808)	

HUMAN RESOURCES

BUDGET UNIT: RISK MANAGEMENT (IBP RMG)

I. GENERAL PROGRAM STATEMENT

Risk Management, under the direction of the Human Resources Department, administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs, and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for their specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs. This budget unit consists of staffing and related operating expenses.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	3,595,779	4,259,651	4,365,635	4,614,219
Total Financing Sources	3,919,490	4,259,651	4,532,581	4,614,219
Revenue Over/(Under) Expense	323,711	-	166,946	-
Budgeted Staffing		65.0		65.0
Fixed Assets	38,491	8,429	-	-
<u>Workload Indicators</u>				
FISCAL SECTION				
Database Transactions	69,052	54,896	117,619	105,000
LIABILITY SECTION				
Auto Accidents	616	608	496	475
Open Claims	1,308	1,389	1,029	1,042
New Claims	1,542	1,727	1,374	1,265
Cases Per Adjuster	187	198	129	130
WORKERS' COMP SECTION				
Open Claims	2,457	2,422	2,674	2,630
New Claims	1,754	1,753	1,819	1,586
Cases Per Adjuster	189	186	206	202
SAFETY SECTION				
Employees Trained	3,800	5,000	5,200	5,000
Emergency Responses	156	85	80	85

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

None.

PROGRAM CHANGES

None.

HUMAN RESOURCES

GROUP: Internal Services
DEPARTMENT: Human Resources - Risk Management
FUND: Internal Services IBP RMG

FUNCTION: General
ACTIVITY: Insurance Programs

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	3,625,938	3,638,796	3,967,913	130,582	4,098,495
Services and Supplies	1,040,459	920,195	924,047	(74,872)	849,175
Central Computer	39,834	39,834	38,345	-	38,345
Other Charges	153	1,575	1,575	(1,575)	-
Transfers	118,500	118,500	118,432	25,037	143,469
Total Exp Authority	4,824,884	4,718,900	5,050,312	79,172	5,129,484
Reimbursements	(459,249)	(459,249)	(459,249)	(56,016)	(515,265)
Total Operating Expense	4,365,635	4,259,651	4,591,063	23,156	4,614,219
Revenue					
Use of Money & Prop	64,254	-	-	70,000	70,000
Current Services	200,418	-	-	225,000	225,000
Other Revenue	(171)	50,000	50,000	(50,000)	-
Total Revenue	264,501	50,000	50,000	245,000	295,000
Operating Transfers In	4,268,080	4,209,651	4,541,063	(221,844)	4,319,219
Total Financing Sources	4,532,581	4,259,651	4,591,063	23,156	4,614,219
Revenue Over/(Under) Exp	166,946	-	-	-	-
Budgeted Staffing		65.0	65.0	-	65.0
Fixed Asset Exp					
Equipment	-	8,429	8,429	(8,429)	-
Total Fixed Asset Exp	-	8,429	8,429	(8,429)	-

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	108,225	MOU.
	202,528	Retirement.
	18,364	Risk Management Workers Comp.
	329,117	
Services and Supplies	3,852	Risk Management Liabilities.
Central Computer	(1,489)	
Transfers	(68)	Incremental change in EHAP.
Revenue		
Operating Transfer In	331,412	
Total Operating Expense	331,412	
Total Financing Sources Change	331,412	
Total Revenue Over/(Under) Exp	-	
Total 2002-03 Operating Expense	4,259,651	
Total 2002-03 Financing Sources	4,259,651	
Total 2002-03 Rev Over/(Under) Exp	-	
Total Base Budget Operating Exp	4,591,063	
Total Base Budget Financing Sources	4,591,063	
Total Base Rev Over/(Under) Exp	-	

HUMAN RESOURCES

Board Approved Changes to Base Budget		
Salaries and Benefits	<u>130,582</u>	Step increases for various positions.
Services and Supplies	<u>(11,337)</u>	GASB 34 accounting change (EHAP).
	<u>(63,535)</u>	Decrease for expected spending reduction.
	<u>(74,872)</u>	
Other Charges	<u>(1,575)</u>	Reduced interest costs for lease-purchase of equipment.
Transfers	<u>11,337</u>	GASB 34 accounting change (EHAP).
	<u>13,700</u>	Increased administrative overhead paid to AAA HRD.
	<u>25,037</u>	
Total Expenditure Authority	<u>79,172</u>	
Reimbursements	<u>(56,016)</u>	Increased reimbursements due to increased salary and benefit costs for out-stationed safety specialists.
Total Operating Expenses	<u>23,156</u>	
Revenue		
Use of Money/Property	<u>70,000</u>	Expected interest earnings.
Current Services	<u>225,000</u>	Emergency Physicians Reimbursement program.
Other Revenue	<u>(50,000)</u>	Reclassification of revenue to current services.
Total Revenue	<u>245,000</u>	
Operating Transfer In	<u>(221,844)</u>	Reduced operating transfers-in due to increased revenue from other sources.
Total Financing Sources	<u>23,156</u>	
Rev Over/(Under) Exp	<u>-</u>	
Fixed Asset Exp		
Lease-Purchase Equip	<u>(8,429)</u>	Eliminate budgeted fixed assets.

HUMAN RESOURCES

BUDGET UNIT: INSURANCE PROGRAMS (ALL ISFs EXCEPT IBP)

I. GENERAL PROGRAM STATEMENT

Risk Management, under the direction of the Human Resources Department, administers the county's self-insured and insured insurance programs. All programs are paid from these self-insurance funds and financed by general fund and non-general fund departments, as well as the Board Governed Special Districts and County Service Areas. Self-insurance and insurance programs include auto liability, property, surety, comprehensive auto, law enforcement liability, workers' compensation, aircraft liability, airport liability, environmental liability, medical malpractice, and general liability. Revenue over expense is used to meet actuarially determined claims reserve requirements. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	54,999,503	46,735,896	63,914,428	47,652,314
Total Financing Sources	48,018,910	49,765,885	59,968,838	49,002,994
Revenue Over/(Under) Expense	(6,980,593)	3,029,989	(3,945,590)	1,350,680

Actual operating expenses and revenue for 2002-03 are higher than budget due to an accounting change regarding reporting for guaranteed investment contract (GIC) disbursements and reimbursements. Transfers for the GIC were \$10,762,476 and revenues were \$10,704,530. Per the investment schedule, there is minimal GIC activity in 2003-04.

Revenue over/(under) expense varied significantly from budget because of an unbudgeted \$4.5 million dividend paid to Transportation/Flood Control; increased Workers' Compensation payments due to the increased benefit levels; decreased Workers' Compensation revenue due to decreased staffing in the County; and increased excess insurance premiums for general, automobile, and pollution liability programs.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

Compared to 2002-03, operating transfers in and out are impacted significantly due to scheduled reductions in GIC disbursements and reimbursements.

GROUP: Administrative/Executive DEPARTMENT: Human Resources - Risk Management FUND: Internal Service (All Except IBP)			FUNCTION: General ACTIVITY: Insurance Programs		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Services and Supplies	44,386,278	38,874,268	38,874,268	4,321,827	43,196,095
Other Charges	97,869	142,500	142,500	(5,500)	137,000
Transfers	459,249	-	-	-	-
Total Appropriation	44,943,396	39,016,768	39,016,768	4,316,327	43,333,095
Operating Transfers Out	18,971,032	7,719,128	7,719,128	(3,399,909)	4,319,219
Total Oper Expense	63,914,428	46,735,896	46,735,896	916,418	47,652,314
<u>Revenue</u>					
Use of Money & Prop	30,520	948,175	948,175	(679,375)	268,800
Current Services	41,532,866	41,592,810	41,592,810	6,571,884	48,164,694
Other Revenue	28,976	81,900	81,900	(35,400)	46,500
Total Revenue	41,592,362	42,622,885	42,622,885	5,857,109	48,479,994
Operating Transfers In	18,376,476	7,143,000	7,143,000	(6,620,000)	523,000
Total Financing Sources	59,968,838	49,765,885	49,765,885	(762,891)	49,002,994
Rev Over/(Under) Exp	(3,945,590)	3,029,989	3,029,989	(1,679,309)	1,350,680

HUMAN RESOURCES

Board Approved Changes to Base Budget

Services and Supplies	496,815	Increased workers' compensation excess insurance premiums.
	1,005,168	Increase for other excess insurance premiums.
	572,185	Increased other general liability insurance premiums.
	150,528	Increased malpractice insurance premiums.
	(261,502)	Decreased airport and aircraft liability insurance.
	1,333,163	Increase for other insurance premiums.
	99,750	Increase for risk reduction programs.
	780,170	Increase for judgments and settlements.
	(91,450)	Decreased management and technical services.
	237,000	Increase for medical treatment expenses.
	<u>4,321,827</u>	
Other Charges	<u>(5,500)</u>	Decreased taxes and assessments.
Total Appropriation	<u>4,316,327</u>	
Operating Transfers Out	<u>(3,399,909)</u>	Decreased GIC payments of \$3,475,521 and transfers to IBP for overhead.
Total Operating Expenses	<u>916,418</u>	
Revenue		
Use of Money & Prop	<u>(679,375)</u>	Decreased interest revenue.
Current Services	<u>6,571,884</u>	Increased insurance premium revenue of \$ 7,069,384, decreased claim cost recoveries of \$360,500 and subrogation for departments of \$137,000.
	<u></u>	
Other Revenue	<u>(35,400)</u>	Decreased revenue from return of stale-dated checks.
Total Revenue	<u>5,857,109</u>	
Operating Transfers In	<u>(6,620,000)</u>	Decreased GIC proceeds.
Total Financing Sources	<u>(762,891)</u>	
Total Rev Over/(Under) Exp	<u>(1,679,309)</u>	

OVERVIEW OF BUDGET

DEPARTMENT: INFORMATION SERVICES DEPARTMENT
CHIEF INFORMATION OFFICER: LEYDEN L. HAHN

	2003-04				
	Appropriation/Oper Expense	Revenue/ Financing Sources	Local Cost	Revenue Over/(Under) Expense	Staffing
Application Development	10,136,609	4,480,501	5,656,108		93.8
Emerging Technology Division	1,593,869	274,900	1,318,969		15.2
Computer Operations	19,031,142	15,981,129		(3,050,013)	125.4
Network Services	16,845,334	16,845,334		-	93.0
Total	47,606,954	37,581,864	6,975,077	(3,050,013)	327.4

BUDGET UNIT: APPLICATION DEVELOPMENT (AAA SDD)

I. GENERAL PROGRAM STATEMENT

Information Services' Application Development Division develops, enhances, and maintains computerized business systems. In addition, Application Development provides management and coordination of large multi-departmental automation projects, consultation for a wide variety of vendor platforms, acquisition and integration of turnkey software applications, and proposal development.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	12,763,168	11,722,743	10,475,663	10,136,609
Total Revenue	6,512,817	6,431,886	5,447,268	4,480,501
Local Cost	6,250,351	5,290,857	5,028,395	5,656,108
Budgeted Staffing		101.3		93.8
<u>Workload Indicators</u>				
Project Hours	149,873	149,479	128,881	127,400

In 2002-03, appropriations of \$11,722,743 are under budget by \$1,247,080 as a result of cost reduction measures implemented to offset reduced revenues caused by State budget cuts and adjustments for the 4% spend down plan. Expenditure reductions include savings from vacant positions (\$524,049); reduced services and supplies (\$673,031); and the deletion of fixed asset purchases (\$50,000). The decrease in project hours in 2003-04 reflects the impact of the 4% spend down and reduced revenues from Human Services System. These reductions translate into a loss of 20,598 project hours from contracted professional services and regular staff time of 7.5 budgeted staffing.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 7.5 positions. Included in base budget is a decrease of 3.0 positions (1.0 Team Leader, 1.0 Team Aide II and 1.0 Programmer Analyst/Programmer) which were eliminated as a result of the 4% Spend Down Plan. The reduction of 3.5 Programmer III positions was eliminated based on further cost reduction measures to compensate for lower revenues.

Per Board direction 1.0 vacant budgeted Programmer III position that was not in recruitment was deleted during budget adoption.

PROGRAM CHANGES

Service revenues from Human Services System, Courts, Public Health, and District Attorney decreased from a budget of \$3.8 million in 2002-03 to \$1.3 million in 2003-04. This reduction of \$2.5 million was caused primarily by state budget cuts and has impacted this budget significantly. Some of the lost revenue has been offset partially by projected revenue increases of \$500,000 by projects in Public Works, GIS parcel base map, and various countywide management projects. Support costs in computer software, training, equipment purchases, general office expenses, and travel budgets have been reduced drastically to offset these revenue losses in

INFORMATION SERVICES

order to stay within local cost. For the most part, service levels within the unit have declined for affected departments and the ability to respond to additional service requests has also been impacted. The use of contract resources in the professional services budget has also been reduced by \$1.2 million and nearly eliminated to accommodate needed cost reductions.

GROUP: Administrative/Executive DEPARTMENT: Information Services FUND: General AAA SDD			FUNCTION: General ACTIVITY: Other General		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	7,606,223	8,130,272	8,558,182	(77,921)	8,480,261
Services and Supplies	2,340,593	3,013,624	1,999,371	(862,490)	1,136,881
Central Computer	117,269	117,269	90,327	-	90,327
Equipment	-	50,000	-	-	-
Transfers	411,578	411,578	363,891	65,249	429,140
Total Appropriation	10,475,663	11,722,743	11,011,771	(875,162)	10,136,609
Revenue					
Current Services	5,447,268	6,431,886	5,283,797	(803,296)	4,480,501
Total Revenue	5,447,268	6,431,886	5,283,797	(803,296)	4,480,501
Local Cost	5,028,395	5,290,857	5,727,974	(71,866)	5,656,108
Budgeted Staffing		101.3	98.3	(4.5)	93.8

Total Changes Included in Board Approved Base Budget	
Salaries and Benefits	223,983 MOU. 423,444 Retirement. 10,755 Risk Management Workers Comp. (230,272) 4% Spend Down Plan (delete 1.0 Team Leader, 1.0 Team Aide II, 1.0 Programmer Analyst/Programmer). <u>427,910</u>
Services and Supplies	(1,037,228) 4% Spend Down Plan. 22,975 Risk Management Liabilities. <u>(1,014,253)</u>
Central Computer	<u>(26,942)</u>
Equipment	<u>(50,000)</u> 4% Spend Down Plan.
Transfers	(42,223) 4% Spend Down Plan. (5,464) Incremental change in EHAP. <u>(47,687)</u>
Revenue	
Current Services	<u>(1,148,089)</u> 4% Spend Down Plan.
Total Appropriation Change	(710,972)
Total Revenue Change	(1,148,089)
Total Local Cost Change	437,117
Total 2002-03 Appropriation	11,722,743
Total 2002-03 Revenue	6,431,886
Total 2002-03 Local Cost	5,290,857
Total Base Budget Appropriation	11,011,771
Total Base Budget Revenue	5,283,797
Total Base Budget Local Cost	5,727,974

INFORMATION SERVICES

Board Approved Changes to Base Budget		
Salaries and Benefits	(6,055)	The reduction of 3.5 Programmer III's was due to reduced service revenues; offset by step increases and increase cost for overtime and call back.
	(71,866)	Deletion of 1.0 vacant budgeted Programmer III position during budget workshop.
	<u>(77,921)</u>	
Services and Supplies	(839,464)	Reduced professional services contractor costs due to decreased revenues.
	(23,026)	GASB 34 Accounting Change (EHAP).
	<u>(862,490)</u>	
Transfers	42,223	Increase to reflect changes in internal cost transfers to IAJ.
	23,026	GASB 34 Accounting Change (EHAP).
	<u>65,249</u>	
Total Appropriation	<u>(875,162)</u>	
Revenue	(803,296)	Decreased to reflect reduced service revenues from HSS, Public Health and Courts partially offset by increased revenues from Public Works, GIS and workflow and content management projects.
	<u></u>	
Total Revenue	<u>(803,296)</u>	
Local Cost	<u>(71,866)</u>	

INFORMATION SERVICES

BUDGET UNIT: EMERGING TECHNOLOGIES DIVISION (AAA ETD)

I. GENERAL PROGRAM STATEMENT

The Emerging Technologies Division (ETD) researches, evaluates and recommends technology-oriented products and solutions with the focus of improving internal county processes as well as enabling electronic access by the public to county services. ETD is responsible for maintaining and managing the county's internal and external web sites. Through the Geographic Information Management System (GIMS), ETD also provides mapping products and geography-based application services for both the county departments and the public. GIMS responsibilities include ongoing maintenance of the county's street network and development of the parcel basemap.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation		1,792,210	1,569,049	1,593,869
Total Revenue		273,940	248,095	274,900
Local Cost	-	1,518,270	1,320,954	1,318,969
Budgeted Staffing		19.1		15.2
<u>Workload Indicators</u>				
Emerging Technology major projects	-	4	12	7
GIS Application Projects	-	150	41	36
GIS Mapping Projects	-	250	330	280
Street Network: Segments maintained	-	128,463	150,037	165,000
Parcel Basemap: Parcels maintained		N/A	308,895	458,900

In 2002-03 appropriations are under budget by \$223,161 resulting from cost reductions measures implemented for the 4% spend down plan that include vacant budgeted staffing savings of \$265,235 and increase expenditures in software and equipment purchases totaling \$67,648 and deletion of fixed purchases totaling \$25,574. Reduced revenue is in connection with not filling vacant positions.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 3.9 positions. Included in base budget is a net decrease of 1.0 Programmer III in the 4% Spend Down Plan, 1.0 Programmer III in the 30% Cost Reduction Plan. These reductions were offset by 0.1 of overtime hours in the Programmer III position.

Per Board direction, 2.0 vacant Programmer III positions that were not in recruitment were also deleted during budget adoption.

PROGRAM CHANGES

Services and supplies cost in computer software, equipment purchases, and professional services budget were reduced to compensate for salary cost increases of employee step advancement, increased on-call, and higher administrative support cost. Minor reductions in interest and lease purchase principal payments were made to adjust for declining requirements of existing lease purchase loans. ETD will provide Geographic Information System (GIS) support for the Big Bear Watershed program in 2003-04 using grant funding secured by the City of Big Bear.

Projected revenue increased slightly reflecting change in Street Network subscription services, completion of contract with the City of Rialto, mapping projects, and GIS Watershed program with City of Big Bear.

OTHER CHANGES

ETD will provide GIMS quality assurance and control of data delivered to the county by contract vendor in the completion of the parcel basemap.

INFORMATION SERVICES

GROUP: Administrative/Executive
DEPARTMENT: Information Services - Emerging Technologies
FUND: General AAA ETD

FUNCTION: General
ACTIVITY: Other

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	1,120,733	1,385,968	1,320,477	(112,708)	1,207,769
Services and Supplies	353,277	285,629	306,645	(46,467)	260,178
Central Computer	3,513	3,513	8,345	-	8,345
Other Charges	393	750	750	(500)	250
Equipment	6,418	31,635	31,635	(2,335)	29,300
Transfers	84,715	84,715	87,049	978	88,027
Total Appropriation	1,569,049	1,792,210	1,754,901	(161,032)	1,593,869
<u>Revenue</u>					
Current Services	248,095	273,940	273,940	960	274,900
Total Revenue	248,095	273,940	273,940	960	274,900
Local Cost	1,320,954	1,518,270	1,480,961	(161,992)	1,318,969
Budgeted Staffing		19.1	17.2	(2.0)	15.2

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	30,775	MOU.
	58,724	Retirement.
	1,438	Risk Management Workers Comp.
	(60,731)	4% Spend Down Plan - delete 1.0 Programmer III offset by 0.1 in overtime.
	(95,697)	30% Cost Reduction Plan - delete 1.0 Programmer III.
	(65,491)	
Services and Supplies	21,016	Risk Management Liabilities.
Central Computer	4,832	
Transfers	2,334	Incremental change in EHAP.

Total Appropriation Change	(37,309)
Total Revenue Change	-
Total Local Cost Change	(37,309)
Total 2002-03 Appropriation	1,792,210
Total 2002-03 Revenue	273,940
Total 2002-03 Local Cost	1,518,270
Total Base Budget Appropriation	1,754,901
Total Base Budget Revenue	273,940
Total Base Budget Local Cost	1,480,961

INFORMATION SERVICES

Board Approved Changes to Base Budget		
Salaries and Benefits	49,284	Step increases.
	(161,992)	The deletion of 2.0 vacant Programmer Analyst III positions were deleted during budget hearings
	<u>(112,708)</u>	
Services and Supplies	(45,489)	Cost reductions in computer software, equipment purchases and professional services.
	(978)	GASB 34 Accounting Change (EHAP).
	<u>(46,467)</u>	
Other Charges	(500)	Reduced interest cost loans.
Equipment	(2,335)	Reduced principal portion on lease-purchase loans.
Transfers	978	GASB 34 Accounting Change (EHAP).
Total Appropriation	<u>(161,032)</u>	
Revenue		
Current Services	960	Net increase in projected revenues from Street Network Subscription, Mapping and Technology projects.
	<u>960</u>	
Total Revenue	<u>960</u>	
Local Cost	<u>(161,992)</u>	

INFORMATION SERVICES

BUDGET UNIT: COMPUTER OPERATIONS (IAJ ALL)

I. GENERAL PROGRAM STATEMENT

The Computer Operations Division is comprised of five Sections: Technology Production Control, Integrated Document Management, Wide Area Network, Local Area Network, and Systems Support Services. The division supports county departments on a 24/7 basis.

Technology Production Control Section is tasked with the administration and support of the county's enterprise servers, departmental mid-range computers, and over 140 client-server computer systems. The section is responsible for maintaining a stabilized environment for the enterprise data center, cross system platform automation, report distribution and disaster recovery.

The Integrated Document Management Section operates the integrated document management, document conversion, data entry and microfilm for the county. The Systems Support Services Section centralizes and physically consolidates the infrastructure and administration to support the efficient management of countywide servers.

The Wide Area Network (WAN) Section provides the communications infrastructure for interconnecting all county departments and provides support for approximately 20,000 users. The Local Area Network (LAN) Section provides departmental support for the management of local networks connecting computers within buildings.

The Computer Operations budget unit is an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	18,457,651	20,177,069	17,682,633	19,031,142
Total Financing Sources	19,440,566	20,177,069	20,806,164	15,981,129
Revenue Over/(Under) Expense	982,915	-	3,123,531	(3,050,013)
Budgeted Staffing		154.4		125.4
Fixed Assets	1,123,668	2,879,261	1,030,042	1,522,046
Unrestricted Net Assets Available at Yr End	7,275,075		5,414,070	
<u>Workload Indicators</u>				
PC Users/E-Mail Customers	15,463	14,467	14,970	14,697
Record Keyed	19,023,588	19,901,199	18,516,399	21,065,667
Dist. Depart. Sys. Sup. Bill. Hrs.	10,328	6,868	7,821	3,767
Telepro. Sup. Billable Hrs.	6,117	7,146	5,189	3,600
WAN Connections	359	363	371	370
CPU Hours	17,621	13,630	17,973	17,902
PC Desktop Billable Hours	19,369	26,299	16,432	20,000

Expense variance resulted from customer reduced service demands due to budget cutbacks, hiring, and fixed asset freeze. Material purchases, non-fixed asset equipment purchases, training, equipment maintenance, and equipment leases were all cutback to reduce overall cost. The decreased expense resulted in reduced revenue; however, a one-time operating transfer in for the GIS project resulted in revenue exceeding budget.

INFORMATION SERVICES

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 29.0 vacant budgeted positions.

Salaries and benefit cost for 24.0 positions totaling \$1,122,385 was deleted in order to manage to projected workload changes, decreased service revenues, and to help offset cost increases in other expense areas. Changes included the deletion of 6.0-Automated Systems Analyst I; 1.0-Automated Systems Analyst II; 1.0-Chief Data Entry Supervisor; 3.0-Clerk II; 3.0-Computer Operator; 1.0-Data Control Clerk III; 2.0-Data Entry Operator II; 1.0-Data Processing Scheduler; 3.0-P1-Product Analyst; 3.0-Product Specialist and 1.0-Programmer Analyst III X-Help. Decreases were offset slightly by increased overtime usage equivalent to 1.0 budget position.

Per Board direction of 5.0 vacant budgeted positions that were not in recruitment were also deleted during budget adoption.

PROGRAM CHANGES

Staffing and the purchase of services and supplies were reduced to bare minimum levels to hold current year service rates the same and to help offset cost increases.

Services and supplies cost in computer software, equipment purchases, training, equipment rental, and interest expense budgets were decrease by \$1,417,639. These reductions were required to offset declining revenues and cost increases of \$1,166,976 for inflation and insurance; higher cost to maintain internal business applications; GIS parcel base map costs; increase in administrative support costs; increased equipment depreciation expenses; and to establish a Quality Assurance (QA) program. COWCAP budget was reduced by \$110,592 to reflect actual cost allocation of the plan.

The above changes are necessary to maintain a break-even status with projected service revenues, which are declining.

Service revenue projections have decreased by \$1,483,640 in anticipation of further service impacts of future state budget cuts in user departments.

Fixed asset equipment purchases decreased by \$1,357,215 to reflect current requirements; fully amortized lease purchase equipment loans; and budget constraints.

INFORMATION SERVICES

GROUP: Administrative/Executive
DEPARTMENT: Information Services - Computer Operations
FUND: Internal Services IAJ ALL

FUNCTION: General
ACTIVITY: Computer Operations

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Salaries and Benefits	8,379,722	9,598,469	10,410,457	(1,377,584)	9,032,873
Services and Supplies	9,437,629	10,439,585	10,439,585	(68,184)	10,371,401
Other Charges	37,990	36,446	36,446	(8,151)	28,295
Total Exp Authority	17,855,341	20,074,500	20,886,488	(1,453,919)	19,432,569
Reimbursements	(858,368)	(856,920)	(856,920)	22,863	(834,057)
Depreciation	685,660	959,489	959,489	(526,859)	432,630
Total Operating Expense	17,682,633	20,177,069	20,989,057	(1,957,915)	19,031,142
<u>Revenue</u>					
Current Services	18,078,073	20,177,069	17,464,769	(1,483,640)	15,981,129
Operating Transfers In	2,728,091	-	-	-	-
Total Financing Sources	20,806,164	20,177,069	17,464,769	(1,483,640)	15,981,129
Revenue Over/(Under) Exp.	3,123,531	-	(3,524,288)	474,275	(3,050,013)
<u>Fixed Asset Expense</u>					
Equipment	703,701	2,143,225	2,143,225	(912,643)	1,230,582
Equip/Lease Purchase	326,341	736,036	736,036	(444,572)	291,464
Total Fixed Assets	1,030,042	2,879,261	2,879,261	(1,357,215)	1,522,046
Budgeted Staffing		154.4	154.4	(29.0)	125.4

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	279,278	MOU.
	518,511	Retirement.
	14,199	Risk Management Workers Comp.
	<u>811,988</u>	

Revenue

Current Services	<u>(2,712,300)</u>	Decrease in CPU and infrastructure rate for 2003-04.
Total Operating Expense	811,988	
Total Financing Sources Change	(2,712,300)	
Total Revenue Over/(Under) Exp	(3,524,288)	
Total 2002-03 Operating Expense	20,177,069	
Total 2002-03 Financing Sources	20,177,069	
Total 2002-03 Rev Over/(Under) Exp	-	
Total Base Budget Operating Exp	20,989,057	
Total Base Budget Financing Sources	17,464,769	
Total Base Rev Over/(Under) Exp	(3,524,288)	

Service rates for CPU and Infrastructure services were decreased to return \$2,712,300 in retained earning to users of this fund. Base Year increases in MOU, Retirement and Worker Comp cost totaling \$811,988 were absorbed without any offsetting rate increases.

INFORMATION SERVICES

Board Approved Changes to Base Budget	
Salaries and Benefits	(1,122,385) Decreased to reflect deletion of 25.0 positions and increased overtime usage of 1.0 position.
	(255,199) Deletion of 5.0 vacant budgeted positions during budget workshop.
	<u>(1,377,584)</u>
Services and Supplies	
Computer Software Expense	(286,772) Decreased for cost savings purposes and reduced users projected requirement.
Inventoriable Equipment	(447,256) Decrease for cost saving purposes and projected user needs.
Training	(171,469) Decreased for cost savings purposes.
COWCAP	(110,592) Decreased allocation per approved plan.
Distributed Dp Equipment	(300,331) Decreased to user projected needs and cost savings purposes.
Purchase of Material	256,934 Increased cost for paper, tape, and other computer supplies.
Insurance & Other General Svcs	221,592 Increased cost for insurance and other business related expenses.
Transfers	(32,278) GASB 34 Accounting Change (EHAP).
Rents & Leases-Equipment	(203,660) Decreased reflecting lease to purchase conversion and reduced projection by ISF users.
Application Development Svcs	567,876 Increased to reflect current cost of maintaining internal business systems, GIS parcel basemap support and to establish a Quality Assurance function.
	437,772 GIS parcel base map project
	<u>(68,184)</u>
Other Charges	<u>(8,151)</u> Reduced interest on fully paid loans.
Total Exp Authority	<u>(1,453,919)</u>
Reimbursements	(9,415) Decrease in projected reimbursements of internal administrative cost allocation among ISD operating divisions.
	32,278 GASB 34 Accounting Change (EHAP).
	<u>22,863</u>
Depreciation	<u>(526,859)</u> Depreciation expense for full year of new purchases.
Total Operating Expense	<u>(1,957,915)</u>
Revenue	<u>(1,483,640)</u> Decreased to reflect projected reduction in service revenues.
Revenue Over/(Under) Exp	<u>474,275</u>
Fixed Asset Expense	
Equipment	<u>(912,643)</u> Decrease to reflect current need for capital equipment.
Equip Lease-Purchase	<u>(444,572)</u> Reduced principal payment portion for fully paid loans.
Total Fixed Asset	<u>(1,357,215)</u>

INFORMATION SERVICES

BUDGET UNIT: NETWORK SERVICES (IAM ALL)

I. GENERAL PROGRAM STATEMENT

Information Services' Network Services Division provides countywide telephone, microwave and radio services and the operation of related hardware, software and communications facilities, including a network of microwave sites.

The Network Services budget unit is an Internal Service Fund (ISF). As an ISF any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	19,517,107	20,172,114	19,137,508	16,845,334
Total Revenue	19,794,354	18,172,114	18,180,206	16,845,334
Revenue Over/(Under) Expense	277,247	(2,000,000)	(957,302)	-
Budgeted Staffing		110.1		93.0
Fixed Assets	2,348,654	2,585,785	1,847,824	2,491,319
Unrestricted Net Assets Available at Yr End	3,864,562		963,116	
<u>Workload Indicators</u>				
Service Calls	22,567	26,000	21,740	21,500
Radios	8,845	9,424	9,203	9,200
Telephone	19,646	19,000	19,670	19,500
Circuits	1,582	1,582	959	1,237

Expense variances are due to reduced professional services contract related to GIS that was transferred to Computer Operation; hiring and fixed asset purchase freeze, and the deletion of all funded vacant positions.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 17.1 positions. This resulted from a combination of adding and deleting positions of various classifications to adjust for workload changes.

Sixteen positions were deleted, which included 2.0 Clerk II; 9.0 Communications Technician II; 1.0 Network Control Specialist; 2.0 Electronic Drafting Technician; 1.0 Multimedia Coordinator; and 1.0 Telephone Service Specialist.

Usage of overtime equivalent to 4.9 budgeted staffing (0.3 Help Desk Technician; 0.8 Communications Installer; 0.5 800 MHz Analyst; 2.5 Communications Technician I, II, III; and 0.8 Supervising Communications Technician) is increased to meet current workload; 2.0 Communications Technician III are added to provide senior field service skills that require independent judgment; and 1.0 Network Services Supervisor is added to provide supervision of the Network Control area.

Per Board direction 9.0 vacant budgeted positions that were not in recruitment were also deleted during budget adoption.

PROGRAM CHANGES

Reduction in expenses comes mostly from reduced outside communication services and electronic parts that include data/voice circuits, network trunking, intra/inter state connectivity for calls off the county's microwave network and other communication services needed to manage the county's 19,500 user telephone system. Budgeted costs for these areas were increased in 2002-03 to support projected growth in new county facilities and system upgrades. This growth did not occur as expected and outside communication services and parts cost budget have been reduced to reflect recent expense trends and requirements.

INFORMATION SERVICES

GROUP: Administrative/Executive Group
DEPARTMENT: Information Services - Network Services
FUND: Internal Services IAM ALL

FUNCTION: General
ACTIVITY: Tele., Microwv., Radio

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
Appropriation					
Salaries and Benefits	6,345,827	7,095,980	7,762,624	(716,146)	7,046,478
Services and Supplies	10,434,492	11,204,153	9,204,153	(1,342,895)	7,861,258
Central Computer	9,116	9,116	9,116	26,402	35,518
Other Charges	59,218	67,208	67,208	(13,494)	53,714
Transfers	449,808	468,571	468,571	16,346	484,917
Total Appropriation	17,298,461	18,845,028	17,511,672	(2,029,787)	15,481,885
Depreciation	1,839,047	1,327,086	1,327,086	36,363	1,363,449
Total Operating Expense	19,137,508	20,172,114	18,838,758	(1,993,424)	16,845,334
Revenue					
Use of Money & Property	-	1,500	1,500	(1,000)	500
Current Services	18,180,206	18,170,614	16,883,614	(38,780)	16,844,834
Total Revenue	18,180,206	18,172,114	16,885,114	(39,780)	16,845,334
Rev Over/(Under) Exp.	(957,302)	(2,000,000)	(1,953,644)	1,953,644	-
Fixed Asset Exp.					
Equipment	1,033,132	1,750,000	1,750,000	(150,000)	1,600,000
Equip/Lease Purchase	814,692	835,785	835,785	55,534	891,319
Total Fixed Assets	1,847,824	2,585,785	2,585,785	(94,466)	2,491,319
Budgeted Staffing		110.1	110.1	(17.1)	93.0

Total Changes Included in Board Approved Base Budget

Salaries and Benefits	666,644	Increased due to MOU, Retirement and Workers Comp Adjustments.
Services and Supplies	(2,000,000)	One-time funding for GIS parcel base map project transferred to IAJ in 2002-03.
Revenue		
Current Services	(1,287,000)	
Total Operating Expense	(1,333,356)	
Total Revenue Change	(1,287,000)	
Total Revenue Over/(Under) Exp	(46,356)	
Total 2002-03 Operating Expense	20,172,114	
Total 2002-03 Revenue	18,172,114	
Total 2002-03 Rev Over/(Under) Exp	(2,000,000)	
Total Base Budget Operating Expense	18,838,758	
Total Base Budget Revenue	16,885,114	
Total Base Rev Over/(Under) Exp	(1,953,644)	

The telephone rate will decrease from \$32.50 to \$27.00 effective with the beginning of the new fiscal year. This rate reduction is achievable from the completion of the multi-year telephone network switch infrastructure upgrade program, which resulted in lower operating cost. Project cost associated with the completion of upgrading the telephone systems were deleted resulting in a rate decrease for telephones and annual cost savings of approximately \$1,287,000 to phone users.

Base year increases of \$666,644 for MOU salary and benefit, retirement and workers comp cost increases were absorbed without any offsetting rate change.

INFORMATION SERVICES

Board Approved Changes to Base Budget		
Salaries and Benefits	(61,723)	Decrease reflecting deletion of positions, increase overtime usage and step advances and addition of supervisor position.
	(654,423)	Deletion of 9.0 vacant budgeted positions during budget workshop.
	<u>(716,146)</u>	
Services and Supplies	(1,902,895)	Decrease cost of outside phone company services and supplies to show cost reduction efforts and to adjust to workload changes.
	579,088	Increase long distance usage by county departments.
	(19,088)	GASB 34 Accounting Change (EHAP).
	<u>(1,342,895)</u>	
Central Computer	<u>26,402</u>	Increase usage of Central Computer Operations ISF services.
Other Charges	<u>(13,494)</u>	Decrease interest charges on fully paid lease-purchase loans.
Transfers In/Out	(2,742)	Decrease reflect's a new accounting method for EHAP and cost increases in allocated admin cost.
	19,088	GASB 34 Accounting Change (EHAP).
	<u>16,346</u>	
Depreciation	<u>36,363</u>	Increase to reflect full year depreciation of new fixed asset purchases.
Total Operating Expense	<u>(1,993,424)</u>	Cost reduction to stay within projected revenues.
Revenue		
Use of Money and Property	<u>(1,000)</u>	
Current Services	615,643	Increase due to projected higher long distance usage and service contracts.
	(654,423)	Loss of revenue due to the deletion of 9.0 vacant budgeted positions during budget hearings.
	<u>(38,780)</u>	
Total Revenue	<u>(39,780)</u>	
Revenue Over/(Under) Exp	<u>(1,953,644)</u>	
Fixed Asset Expense		
Equipment	<u>(150,000)</u>	Decrease as part of the cost reduction plan.
Equipment lease-Purchase	<u>55,534</u>	Increase principal for new lease-purchase loans of proposed lease purchase of telephone systems.
Total Fixed Assets	<u>(94,466)</u>	

OVERVIEW OF BUDGET

DEPARTMENT: LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER: KATHLEEN ROLLINGS-McDONALD
BUDGET UNIT: AAA LAF

I. GENERAL PROGRAM STATEMENT

The Local Agency Formation Commission (LAFCO) is an independent regulatory body charged with the responsibility for the discouragement of urban sprawl and the encouragement of orderly formation and development of local agencies within San Bernardino County. In meeting these responsibilities the Commission 1) regulates proposed boundary changes for cities and special districts; 2) determines the spheres of influence for local agencies and conducts related municipal service reviews; 3) regulates the formation and dissolution of cities and special districts; and 4) reviews contracts for the provision of services outside the boundaries of cities and special districts. In addition to those authorities, LAFCO has the authority to initiate and make studies of existing government agencies and initiate proposals for consolidations, mergers, or dissolution of special districts based upon its findings. Costs in this budget represent the county's legally mandated contribution to LAFCO; which is one-third of the operating cost that is not reimbursed by fees and other revenue. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	158,189	161,353	170,000	173,400
Local Cost	158,189	161,353	170,000	173,400

Actual cost for 2002-03 exceeded the amount budgeted by \$8,647 because LAFCO adopted its final budget for 2002-03 after the county financing was established. The Board of Supervisors approved using contingencies for the increase in appropriations on June 3, 2003.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

PROGRAM CHANGES

None.

GROUP: Administrative/Executive DEPARTMENT: Local Agency Formation Commission FUND: General AAA LAF			FUNCTION: Public Protection ACTIVITY: Other Protection		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Other Charges	170,000	161,353	173,400	-	173,400
Total Appropriation	170,000	161,353	173,400	-	173,400
Local Cost	170,000	161,353	173,400	-	173,400

Total Changes Included in Board Approved Base Budget		
Other Charges	12,047	Anticipated increase in county's legally mandated contribution.
Total Appropriation Change	12,047	
Total Revenue Change	-	
Total Local Cost Change	12,047	
Total 2002-03 Appropriation	161,353	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	161,353	
Total Base Budget Appropriation	173,400	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	173,400	

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY SCHOOLS
SUPERINTENDENT: HERB FISCHER
BUDGET UNIT: AAA SCL

I. GENERAL PROGRAM STATEMENT

Beginning in 2003-04, this budget unit represents the county's total legal and contractual obligations to contribute to the costs of the County Superintendent of Schools and School Claims. Prior to 2003-04, this budget unit included only the county's costs for School Claims.

The County Superintendent of Schools is the elected chief school administrative officer of the county and is mandated by state law to provide various services for 33 school districts and two regional occupational programs and provides ancillary services to five community college districts within the county. As a fiscally dependent County Office of Education, this budget supports administrative housing, maintenance, and other contracted support. Through state and other funding sources, the Superintendent provides services to 380,830 Kindergarten through 12th students and approximately 37,000 community college students in accordance with the education code, as well as services which include alternative education, special education, and curriculum and instruction.

The function of the School Claims Division is to perform warrant production, control, and accounting to include a prepayment examination and audit of the expenditures from the funds of the school districts, community college districts, regional occupational programs in the county, and from the County School Service Fund of the County Superintendent of Schools. This involves the audit of all payrolls and accounts payable to include contracts and expenses for supplies, materials, services, and equipment. The division performs all audits and approval functions required of the County Auditor/Controller and County Superintendent of Schools, and is jointly responsible to those elected officials.

There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	1,174,581	1,186,804	1,186,792	2,850,040
Local Cost	1,174,581	1,186,804	1,186,792	2,850,040

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

The county's obligation to fund schools was previously recorded in several other county budget units; the Superintendent of Schools, Real Estate Services, and Facilities Management. Beginning this year, all expenditures are contained in this single budget unit. Local cost has been transferred accordingly.

GROUP: Administrative/Executive DEPARTMENT: County Schools FUND: General AAA SCL			FUNCTION: Education ACTIVITY: School Administration		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Services and Supplies	1,186,792	1,186,804	1,222,408	1,161,584	2,383,992
Transfers	-	-	-	466,048	466,048
Total Appropriation	1,186,792	1,186,804	1,222,408	1,627,632	2,850,040
Local Cost	1,186,792	1,186,804	1,222,408	1,627,632	2,850,040

COUNTY SCHOOLS

Total Changes Included in Board Approved Base Budget		
Salaries and Benefits	<u>35,604</u>	Contract obligation for increased schools' employee costs.
Total Appropriation Change	35,604	
Total Revenue Change	-	
Total Local Cost Change	35,604	
Total 2002-03 Appropriation	1,186,804	
Total 2002-03 Revenue	-	
Total 2002-03 Local Cost	1,186,804	
Total Base Budget Appropriation	1,222,408	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	1,222,408	
Board Approved Changes to Base Budget		
Services and Supplies	282,224	Cost transferred from Superintendent of Schools budget unit (AAA SCS).
	464,360	Cost transferred from Real Estate Services for rents and leases.
	415,000	Cost transferred from utilities budget for ISD telephone services charges.
	<u>1,161,584</u>	
Transfers	<u>466,048</u>	Reimbursement to Facilities Management for utilities.
Total Appropriation	<u>1,627,632</u>	
Local Cost	<u>1,627,632</u>	

OVERVIEW OF BUDGET

DEPARTMENT: SUPERINTENDENT OF SCHOOLS
SUPERINTENDENT: HERB FISCHER
BUDGET UNIT: AAA SCS

I. GENERAL PROGRAM STATEMENT

The County Superintendent of Schools is the elected chief school administrative officer of the county and is mandated by state law to provide various services for the school districts and two regional occupational programs and provides ancillary services to five community college districts within the county. As a fiscally dependent County Office of Education, this budget supports administrative housing, maintenance, and other contracted support. Through state and other funding sources, the Superintendent provides services to 380,830 Kindergarten through 12th grade students and approximately 37,000 community college students in accordance with the education code, and includes alternative education, special education, and curriculum and instruction.

There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	290,356	282,224	281,997	-
Local Cost	290,356	282,224	281,997	-

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET

PROGRAM CHANGES

The county's obligation to fund schools was previously recorded in several budget units. Beginning in 2003-04, this budget unit is being closed out and added into the former School Claims budget unit (AAA SCL) in order to reflect the total county obligation for funding schools in a single budget unit.

GROUP: Administrative/Executive			FUNCTION: Education		
DEPARTMENT: Superintendent of Schools			ACTIVITY: School Administration		
FUND: General AAA SCS					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Charges to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Services and Supplies	281,997	282,224	-	-	-
Total Appropriation	281,997	282,224	-	-	-
Local Cost	281,997	282,224	-	-	-

Board Approved Changes to Base Budget

Services and Supplies	<u>(282,224)</u>	Transfer cost to consolidated County Schools budget unit (AAA SCL).
Total Appropriation	<u>(282,224)</u>	
Local Cost	<u>(282,224)</u>	